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 2014

INTERIM RESULTS HIGHLIGHTS

For the six months ended 30 June 2014,

- Recognised revenue amounted to RMB3,221.2 million, representing an increase of 98.6% as compared to the same period in 2013;
- Gross profit amounted to RMB1,083.3 million, and gross profit margin was 33.6%;
- Profit attributable to equity owners amounted to RMB374.5 million, representing an increase of 176.7% as compared to the same period in 2013; core net profit attributable to equity owners amounted to RMB335.8 million, and core net profit margin was 10.4%;
- Basic earnings per share were RMB18.6 cents, while basic core earnings per share were RMB16.7 cents; and
- 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 2014 together with comparative figures for the corresponding period in 2013.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Notes	Six months ended 30 June 2014 *RMB'000* (Unaudited)	2013 *RMB'000* (Unaudited)
REVENUE	*4*	**3,221,178**	1,621,757
Cost of sales		**(2,137,927)**	(909,278)
Gross profit		**1,083,251**	712,479
Other income and gains	*4*	**67,727**	54,453
Selling and marketing expenses		**(95,554)**	(58,926)
Administrative expenses		**(196,093)**	(190,426)
Other expenses		**(42,226)**	(17,847)
Fair value gains on investment properties		**51,516**	208,578
Finance costs	*6*	**(97,116)**	(152,941)
Share of profits and losses of:			
Joint ventures		**(20,121)**	(72,387)
Associates		**(24,593)**	(644)
PROFIT BEFORE TAX	*5*	**726,791**	482,339
Income tax expense	*7*	**(352,312)**	(329,191)
PROFIT FOR THE PERIOD		**374,479**	153,148
Attributable to:			
Owners of the parent		**374,479**	135,339
Non-controlling interests		**—**	17,809
		374,479	153,148
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic (RMB per share)	*9*	**18.60 cents**	8.01 cents
Diluted (RMB per share)	*9*	**18.60 cents**	8.01 cents

Details of the interim dividends payable and proposed for the period are disclosed in note 8 to the interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	**30 June 2014** *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**117,906**	120,746
Investment properties		**10,928,078**	10,796,582
Investments in joint ventures		**2,420,729**	2,395,679
Investments in associates		**725,636**	748,806
Prepayments for acquisition of land		**1,241,613**	1,135,060
Land held for development for sale		**592,861**	592,861
Intangible assets		**9,246**	9,006
Available-for-sale investments		**24,540**	24,540
Deferred tax assets		**175,136**	153,214
Total non-current assets		**16,235,745**	15,976,494
CURRENT ASSETS			
Inventories		**10,618**	13,642
Land held for development for sale		**269,551**	617,728
Properties under development		**7,577,121**	5,528,112
Completed properties held for sale		**3,214,021**	4,424,458
Prepayments for acquisition of land		**637,712**	733,685
Gross amount due from contract customers		**137,888**	129,606
Trade receivables	*11*	**1,070,217**	577,212
Prepayments, deposits and other receivables		**4,783,240**	4,840,356
Due from related parties		**—**	43
Prepaid corporate income tax		**109,208**	99,667
Prepaid land appreciation tax		**165,847**	194,458
Restricted cash		**1,022,310**	1,410,636
Cash and cash equivalents		**1,943,196**	2,116,401
Total current assets		**20,940,929**	20,686,004

	Notes	**30 June 2014** *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
CURRENT LIABILITIES			
Gross amount due to contract customers		**515,877**	557,676
Receipts in advance		**4,673,299**	5,125,930
Trade payables	*12*	**2,305,876**	2,545,986
Other payables and accruals		**984,129**	746,813
Derivative financial instruments		**166,245**	164,367
Interest-bearing bank and other borrowings		**4,460,200**	5,148,302
Due to related parties		**—**	3,817,171
Tax payable		**270,327**	223,628
Provision for land appreciation tax		**495,679**	406,471
Total current liabilities		**13,871,632**	18,736,344
NET CURRENT ASSETS		**7,069,297**	1,949,660
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,305,042**	17,926,154
NON-CURRENT LIABILITIES			
Derivative financial instruments		**130,180**	92,235
Interest-bearing bank and other borrowings		**11,944,220**	8,278,361
Other payables		**1,214,540**	1,021,493
Deferred tax liabilities		**1,546,641**	1,543,064
Total non-current liabilities		**14,835,581**	10,935,153
Net assets		**8,469,461**	6,991,001
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*13*	**159,173**	61
Reserves		**8,308,881**	6,989,514
		8,468,054	6,989,575
Non-controlling interests		**1,407**	1,426
Total equity		**8,469,461**	6,991,001

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

1. CORPORATE 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 of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Pursuant to special resolutions dated 21 September 2009 and 17 July 2013, the name of the Company was changed from Profit Ever Investments Limited to Yida Property Limited, and further changed to Yida Group (China) Limited, respectively. The name of the Company was subsequently further changed to Yida China Holdings Limited on 11 February 2014.

The shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 June 2014.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally involved in property development, property investment, property management, construction, decoration and landscaping in Dalian, Wuhan, Chengdu and Shenyang, the People's Republic of China (the "**PRC**" or "**Mainland China**").

In the opinion of the directors of the Company (the "**Directors**"), Mr. Sun Yinhuan (a director of the Company) and Right Won Management Limited ("**Right Won**") are considered as the controlling shareholders of the Company (the "**Controlling Shareholder(s)**").

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those of the Group as set out in the accountants' report on the Group included in the prospectus of the Company dated 17 June 2014, except for the following new and revised Hong Kong Financial Reporting Standards (the "**HKFRSs**") that have been adopted by the Group for the first time in 2014 for the current period's interim financial information.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

The adoption of the new and revised HKFRSs has had no significant financial effect on the interim financial information.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective, in this unaudited condensed consolidated interim financial information. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial information.

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 real estate developers;

(d) the construction, decoration and landscaping segment engages in project 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 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/(loss) before tax except that interest income and finance costs are excluded from such measurement.

Inter-segment 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 six months ended 30 June 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

(Unaudited) **For the six months ended 30 June 2014**	**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	**2,934,383**	**143,338**	**2,331**	**48,066**	**93,060**	**—**	**3,221,178**
Segment results	**775,269**	**99,741**	**1,818**	**14,147**	**8,412**	**(42,557)**	**856,830**
Reconciliation:							
Interest income							**6,231**
Dividend income and unallocated gains							**669**
Corporate and other unallocated expenses							**(39,823)**
Finance costs							**(97,116)**
Profit before tax							**726,791**
Tax							**(352,312)**
Profit for the period							**374,479**

(Unaudited) For the six months ended 30 June 2013	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	1,315,776	141,947	2,330	103,948	57,756	—	1,621,757
Segment results	444,659	176,358	1,750	16,469	6,657	(61)	645,832
Reconciliation:							
Interest income							2,932
Dividend income and unallocated gains							836
Corporate and other unallocated expenses							(14,320)
Finance costs							(152,941)
Profit before tax							482,339
Tax							(329,191)
Profit for the period							153,148

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the gross proceeds, net of business tax, from the sale of properties; gross rental income, net of business tax, received and receivable from investment properties; property management income, net of business tax, received and receivable; an appropriate proportion of contract revenue from construction, decoration and landscaping; and business park operation and management service income, net of business tax, received and receivable from the provision of operation and management services to the business park projects during the period.

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of properties	**2,934,383**	1,315,776
Gross rental income	**143,338**	141,947
Business park operation and management service income	**2,331**	2,330
Construction, decoration and landscaping income	**48,066**	103,948
Property management income	**93,060**	57,756
	3,221,178	1,621,757
Other income and gains		
Bank interest income	**6,231**	2,932
Government subsidies	**50**	43,574
Gain on derecognition of a property	**57,800**	—
Others	**3,646**	7,947
	67,727	54,453

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**1,963,847**	723,984
Cost of services provided	**125,077**	141,837
Depreciation	**11,868**	11,630
Amortisation of intangible assets	**867**	170
Fair value loss of derivative financial instruments	**39,823**	14,320
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**49,003**	43,457

6. FINANCE COSTS

Group

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans wholly repayable within five years	**551,210**	287,857
Interest on bank loans wholly repayable beyond five years	**19,174**	40,233
Interest on other loans	**305,466**	195,755
Total interest expense on financial liabilities not at fair value through profit or loss	**875,850**	523,845
Less: Interest capitalised	**(778,734)**	(370,904)
	97,116	152,941

7. INCOME TAX EXPENSE

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 2014 and 2013. The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the six months ended 30 June 2014 and 2013.

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

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Group:		
Current:		
PRC corporate income tax	**212,469**	145,667
PRC land appreciation tax	**158,188**	163,751
	370,657	309,418
Deferred:		
Current period	**(18,345)**	19,773
Total tax charge for the period	**352,312**	329,191

8. INTERIM DIVIDENDS

The dividends paid by the Company's subsidiaries to the then shareholders during the six months ended 30 June 2014 and 2013 were as follows:

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interim dividends	**—**	756,863

The Company resolved not to declare an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

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

The calculation of basic earnings per share for the period is based on the consolidated profit attributable to the equity holders of the parent of RMB374,479,000 (six months ended 30 June 2013: RMB135,339,000), and the weighted average number of ordinary shares of 2,012,817,680 (six months ended 30 June 2013: 1,690,000,000) in issue during the period, on the assumption that the group reorganisation and the capitalisation issue in connection with the listing of the Company had been completed on 1 January 2013.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the six months ended 30 June 2014 included 1,000,000 issued ordinary shares of the Company upon completion of group reorganisation and 1,999,000,000 ordinary shares of the Company issued by capitalisation issue, on the assumption that these shares had been in issue throughout the six months ended 30 June 2014, and the weighted average number of 12,817,680 ordinary shares of the Company issued upon the completion of the listing of the Company as further detailed in note 13 to the interim financial information.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the six months ended 30 June 2013 included 1,611,400,000 ordinary shares of the Company held by Right Won, and 78,600,000 ordinary shares of the Company held by Keen Everlasting Harmony Limited ("**Keen Everlasting**"), after subdivision and capitalisation issue, on the assumption that these shares had been in issue throughout the six months ended 30 June 2013 as further detailed in note 13 to the interim financial information.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2014 and 2013 as the Group had no potentially diluted ordinary shares in issue during those periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group acquired property, plant and equipment of RMB9,090,000 (the six months ended 30 June 2013: RMB34,476,000).

11. TRADE RECEIVABLES

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

	30 June 2014	31 December 2013
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**967,143**	391,784
1 to 2 years	**102,105**	184,414
Over 2 years	**969**	1,014
	1,070,217	577,212

As at 30 June 2014, included in the Group's trade receivables are amounts due from a related company controlled by Yida Group Co., Ltd. ("**Yida Group**") of RMB10,723,000 (31 December 2013: RMB1,066,000), which are repayable on similar credit terms to those offered to the major customers of the Group. Yida Group is a company ultimately controlled by the Controlling Shareholder.

As at 30 June 2014, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB114,106,000 (31 December 2013: RMB107,713,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

As at 30 June 2014, included in the Group's trade receivables are amounts due from the Group's associates of RMB96,153,000 (31 December 2013: RMB349,571,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

12. TRADE PAYABLES

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

Group

	30 June 2014 *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
Due within 1 year or on demand	**1,037,644**	1,132,730
Due within 1 to 2 years	**1,268,232**	1,413,256
	2,305,876	2,545,986

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

As at 30 June 2014, included in the Group's trade payables are amounts due to Panasonic Yida Decoration Co., Ltd. ("**Panasonic Yida**"), of RMB50,705,000 (31 December 2013: RMB92,492,000), which are unsecured, interest-free and repayable within 1 to 2 years. Panasonic Yida is a joint venture of the Group after the completion of the acquisition of 49% equity interest in Panasonic Yida by the Group from Yida Group in January 2014. Prior to the acquisition, Panasonic Yida is a joint venture held by Yida Group.

13. ISSUED CAPITAL

The Company was incorporated on 26 November 2007 with authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each. On 2 April 2008, one share was allotted and issued to the subscriber at par and such share was subsequently transferred to Right Won on the same day. There were no transactions involving the Company's issued ordinary share capital from 2 April 2008 to 30 June 2013. The following changes in the Company's share capital took place during the period from 1 July 2013 to 30 June 2014.

	Notes	**30 June 2014** **(Unaudited)** *RMB'000*	30 June 2013 (Unaudited) *RMB'000*
Authorised:			
50,000 shares of US$1.00 each	*(a)*	**—**	305
50,000,000,000 shares of US$0.01 each	*(a)*	**3,124,300**	—

		Number of ordinary shares (Unaudited)	Nominal value of ordinary shares (Unaudited) *RMB'000*
Issued and fully paid:			
As at 1 July 2013		1	—
Increase in issued share capital on 27 November 2013	*(b)*	9,999	61
		10,000	61
Sub-division of all the issued shares of US$1.00 each into shares of US$0.01 each	*(a)*	990,000	—
Capitalisation issue of shares	*(c)*	1,999,000,000	123,329
Issuance of new shares	*(d)*	580,000,000	35,783
As at 30 June 2014		**2,580,000,000**	**159,173**

Notes:

(a) On 1 June 2014, the Company sub-divided all of its issued and unissued shares with par value of US$1.00 each into shares of US$0.01 each. On the same date, the Company increased its authorised share capital to US$500,000,000 divided into 50,000,000,000 shares with a par value of US$0.01 each by the creation of an additional 49,995,000,000 shares.

(b) Pursuant to a written resolution passed on 27 November 2013, a total of 8,449 ordinary shares of US$1.00 each were issued at par for cash of US$8,449 (equivalent to RMB52,000) to Right Won as to 8,056 ordinary shares and to Keen Everlasting as to 393 ordinary shares, as part of the family arrangement, and a total of 1,550 ordinary shares of US$1.00 each were issued for cash of US$180,100,000 (equivalent to RMB1,101,977,000) to companies owned by certain employees of the Group on 27 November 2013. Keen Everlasting is ultimately owned as to 50% and 50% by the son and daughter of Mr. Sun Yinhuan (one of the controlling shareholders of the Company), respectively.

(c) Pursuant to a written resolution passed on 1 June 2014, 1,999,000,000 shares of US$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalisation from the share premium account to the holders of shares whose names appear on the register of members of the Company at the close of business on 1 June 2014 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (d) below.

(d) In connection with the Company's initial public offering, 580,000,000 shares of US$0.01 each were issued at a price of HK$2.45 per share for a total cash consideration, before expenses, of approximately HK$1,421,000,000 (equivalent to RMB1,139,698,000). Dealings in the shares of the Company on the Stock Exchange commenced on 27 June 2014.

(e) In connection with the partial exercise of the over-allotment option by the joint global coordinators of the Company's initial public offering, 3,970,000 shares of US$0.01 each were issued subsequent to the end of the reporting period, on 23 July 2014, at a price of HK$2.45 per share for a total cash consideration, before expenses, of HK$9,726,500 (approximately equivalent to RMB7,740,000).

14. FINANCIAL GUARANTEES

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

(a) As at 30 June 2014, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB505,967,000 (31 December 2013: RMB632,228,000).

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 30 June 2014, the Group provided a guarantee to the shareholders of Richcoast Group Limited ("**Richcoast Group**") (an associate of the Group) for an amount not exceeding RMB150,000,000 (31 December 2013: RMB150,000,000) in respect of the payment obligations of Richcoast Group to a joint venture (formed between Richcoast Group and an independent third party) and the joint venture partner.

(c) The Group provided guarantees to the extent of nil as at 30 June 2014 (31 December 2013: RMB1,350,000,000), to banks in respect of bank and other loans granted to the companies controlled by the Controlling Shareholder.

(d) The Group provided guarantees to the extent of RMB740,000,000 as at 30 June 2014 (31 December 2013: RMB490,000,000), to banks in respect of bank and other loans granted to the joint ventures.

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

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

15. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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

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

	30 June 2014 *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
Within one year	**179,075**	216,434
In the second to fifth years, inclusive	**303,563**	372,202
After five years	**96,121**	117,249
	578,759	705,885

(b) As lessee

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

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

	30 June 2014 *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
Within one year	**6,080**	6,002
In the second to fifth years, inclusive	**5,496**	8,227
	11,576	14,229

16. COMMITMENTS

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

	30 June 2014 *RMB'000* **(Unaudited)**	31 December 2013 *RMB'000* (Audited)
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**1,433,710**	1,648,020
Acquisition of land use rights	**—**	106,280
	1,433,710	1,754,300

17. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in the interim financial information, the Group had the following material transactions with related parties during the period:

	Notes	**For the six months ended 30 June 2014** **RMB'000** **(Unaudited)**	2013 *RMB'000* (Unaudited)
Service fees from joint ventures	*(i)*	**47,217**	41,276
Service fees from associates	*(i)*	**47,670**	50,172
Service fees from companies controlled by the Controlling Shareholder	*(i)*	**2,071**	3,456
Service fees from Panasonic Yida	*(i)*	**—**	731
Rental income from joint ventures	*(ii)*	**—**	517
Rental income from companies controlled by the Controlling Shareholder	*(ii)*	**953**	1,706
Rental income from Panasonic Yida	*(ii)*	**—**	3,347
Rental expense to a company controlled by the Controlling Shareholder	*(ii)*	**567**	550
Consulting fees paid to Yida Group	*(iii)*	**—**	39,500
Consulting fees received from joint ventures	*(iii)*	**6,910**	—
Interest expenses paid to Yida Group	*(iv)*	**28,000**	136,502
Service fee paid to Panasonic Yida	*(v)*	**3,303**	—

Notes:

(i) The service fees were related to the construction services, landscaping services and property management services provided by the Group at rates determined in accordance with the terms and conditions set out in the contracts entered into between the related parties.

(ii) The rentals were determined at rates mutually agreed by the related parties.

(iii) The consulting fees were paid for the investment consultation, project quality consultation, project cost management and project promotion services at a rate determined in accordance with the terms and conditions set out in the contracts entered into between the related parties.

(iv) The interest expenses were charged for borrowings from Yida Group. The interest rate was mutually agreed by the related parties.

(v) The service fees were related to the renovation service provided by Panasonic Yida to the Group at rates determined in accordance with the terms and conditions set out in the contracts entered into between the related parties.

In the opinion of the Directors, the above transactions were entered into in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group

In the opinion of the Directors, the Directors represent the key management personnel of the Group. Compensation of key management personnel of the Group, including directors' remuneration, is as follows:

	For the six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Short term employee benefits	**2,115**	978
Post-employment benefits	**78**	45
	2,193	1,023

(c) As at 30 June 2014, included in the Group's other receivables are amounts due from Panasonic Yida of RMB360,000 (31 December 2013: RMB591,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2014, included in the Group's other receivables are amounts due from joint ventures of RMB347,583,000 (31 December 2013: RMB548,615,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2014, included in the Group's other receivables are amounts due from associates of RMB134,800,000 (31 December 2013: RMB5,000,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2014, included in the Group's other receivables is an amount of RMB15,000,000 (31 December 2013: RMB25,000,000) due from a joint venture, which is unsecured, bears interest at 6.50% (31 December 2013: 6.72%) per annum, and is repayable on demand.

(d) As at 30 June 2014, included in the Group's other payables are amounts due to Panasonic Yida of RMB3,831,000 (31 December 2013: RMB3,712,000), which are unsecured, interest-free and repayable within one year.

As at 30 June 2014, included in the Group's other payables are amounts due to joint ventures of RMB165,624,000 (31 December 2013: RMB173,399,000), which are unsecured, interest-free and repayable on demand.

18. EVENT AFTER THE REPORTING PERIOD

On 23 July 2014, 3,970,000 shares of US$0.01 each were issued in connection with the partial exercise of the over-allotment option by the joint global coordinators of the Company's initial public offering at a price of HK$2.45 per share for a total cash consideration, before expenses, of HK$9,726,500 (approximately equivalent to RMB7,740,000).

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved and authorised for issue by the board of directors on 20 August 2014.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present to you the interim results of the Group for the six months ended 30 June 2014.

Results

For the six months ended 30 June 2014, the revenue of the Group was RMB3,221.2 million, representing an increase of 98.6% compared with the corresponding period of 2013, of which property development revenue increased by 123.0% to RMB2,934.4 million, compared with the same period in 2013. Property development revenue is distributed more evenly in 2014 rather than concentrating more in the second half as in 2013. The net profit attributable to equity owners of the Company was RMB374.5 million. The core net profit after deducting the fair value gains on investment properties net of tax was RMB335.8 million and the core net profit margin (core net profit divided by revenue) was 10.4%. The Board has resolved not to declare any interim dividend for the six months ended 30 June 2014.

Review of the first half of 2014

Since the beginning of 2014, China's economic development has been relatively stable as a whole under the measures from the government and the GDP growth was close to the annual target of 7.5%. Policies on real estate market in the first half of the year remained unchanged and the market was allowed to adjust by itself. Transaction volume and price declined compared with the corresponding period of last year. Market inventories continued to increase and the differences among cities have become increasingly obvious. With the introduction of the "National New Urbanization Plan" and the implementation of various policies on the economic transformation, central government intends to promote the integration of the industry with the city. As an important means of the integration of the industry with the city, business parks have been receiving more attention from the market. Under this macro economic and market environment, the Group adheres to and further reviews and improves the business model of "Integration and Development of the Industry and the City", and strengthens the operation and the construction of software parks and technology parks it holds. Under the strategy of "Consolidation in Dalian with Steady Expansion Steps", the Group continues to expand its operation of business parks as well as potential land reserves.

The domestic business park market experienced new changes in the first half of 2014. On one hand, the traditional industrial park operators went through more innovations and changes, continuously improved their abilities in operation in order to attract more investments and enter into more cities. On the other hand, large property developers are actively entering into the business park market, resulting in increasingly intense competition. However, from the customers' prospective, the availability of talents, innovation, excellent ancillary and professional services as well as appropriate rent are still the key factors in choosing office spaces. The business parks that the Group operates meet these customers' requirements as the Group adopts the "services for value" strategy and offers a series of value-added services and innovative approaches to our customers. Despite the increasingly intense competition, the rent remained stable and surpassed the expectation for the period. Well known customers continued to move in or renew the leases or expand the leasing area. The rental level of Dalian Software Park benigns a rising trend, rentals of new tenants and renewed leases increased steadily. Seven well known customers, including three Fortune Global 500 enterprises and two emerging industry customers, were introduced into the park and continued to lead the upgrading of the industries in the park.

Under the current market environment, the Group actively reduced its inventories in the first half of the year and maintained its leading market position in Dalian. The Group is delighted that the contracted sales of its residential projects performed well as the Group has planned out education, business, sports and other ancillary facilities during the initial construction period of each business park, and adopted appropriate pricing strategies. For example, the Eastern Santaclara Project in Dalian Software Park achieved contracted sales of RMB700 million in the first half of the year due to its mature environment and high-quality school districts. The Springfield Project in the BEST City Core Area Business Park achieved contracted sales of RMB750 million in the first half of the year as a result of its high-quality school districts, excellent environments and precise positioning of the project.

Affected by the slowdown of the real estate market, the land market was inactive in the first half of the year. The Group cautiously searches for high-quality land at reasonable prices in accordance with its own development strategies. The Group also actively plans to expand into new areas. During the period, the Group obtained a business and office land in the central area in Dalian Software Park at a price lower than the local land market. In addition, the Group has also been actively trying to expand strategically into Shanghai, Beijing and other first-tier and second-tier cities that meet the requirements for the operation and development of business parks. The Group hopes to achieve substantial progress in the second half of the year and next year.

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 27 June 2014 (the "**Listing**"), starting a new chapter in the Company's history. Since the Listing, the financing channels of the Group are further extended to offshore markets and its credit rating has improved. The Group also systematically enhanced various management systems and processes through the listing process, which will promote the compliance governance of the Group and lay a solid foundation for its future rapid development.

As part of the long-term development strategies of the Group, business parks development and operation are still our main focus. Based on the indepth services demands from our customers and the requirements of regional expansion, the Group operated stably to improve the standardized development process and operation of business parks in the first half of the year. In order to integrate into the business development model in the future, the Group summarizes its experiences in the development and operation of business parks and further strengthened its core competitiveness by consolidating its resources to prepare room for future development.

In addition to promoting the business development, the Group also performed its responsibilities as an enterprise citizen. It made various social donations to the educational, cultural, livelihood and other social benefits in the first half of the year. The Group further established the "Yida Education & Development Fund" with Dalian University of Technology, with the objective for promoting innovation and talent introduction in the university. While realizing the social value of the Group, it also strengthens the innovative environment and talent cultivation for Dalian Software Park.

Outlook for the second half of 2014

The Group noted that various cities have loosened the purchase restriction policy recently and the real estate market may be stabilized in the second half of this year. Various cities differentiation and structural changes may become a norm and the competition among enterprises will be more fierce compared with the previous rounds of adjustment. The subsequent industry consolidation will be beneficial for the further development of the Group in the future. Only through persistence and innovation that the Group can establish its position in the competition. The long-term factors supporting the development of the business park and real estate industry in China have not changed. The regional city clusters represented by the Shanghai Free Trade Zone, the Yangtze Economic Belt and the integration of Beijing, Tianjin and Hebei are increasingly taking shape and expanding. The new round of industrial structural adjustment will drive the reorganisation of the industry and enterprises and promote large-scale population migration. The new industrialization, informationization, urbanization and agricultural modernization are the new four development paths pursued by the government, which will promote the rapid development of the information industry and relevant technology industries and further raise the continuous demand for software parks and technology parks. The mutual interaction and promotion among the new industrialization, informationization and urbanization will provide sufficient development spaces for the future businesses of the Group.

At the same time, the customers will be more demanding in the product specifications and services, which will inevitably require the business park operators to transform rapidly from quantity-oriented development model to quality-oriented development model. Therefore, reasonable regional and municipal layout, precise and forward-looking products positioning and leading operation ability are the core requirements for the enterprise to maintain its competitiveness for further development.

Relying on the current business structure and the expansion layout, the Group will analyze investment choices with a more prudent approach. It will carefully identify projects and optimize assets structure at an appropriate time. Meanwhile, the Group will continue to sell proactively and promote the further sales of inventory with the strategy of "balancing the quantity and the price" to increase its cash holding and ensure the financial health. The Group will further study the business model of business parks to further advance and innovate the new models of the integration and development of the industry with the city.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Business Parks

As of 30 June 2014, the Group has led the development and operation of six business park projects under various stages, including Dalian Software Park, Dalian BEST City Core Area Business Park, Wuhan First City, Yida Information Software Park, Dalian Ascendas IT Park and Dalian Tiandi. Our business park projects include well organized office buildings, residential properties and various ancillary facilities, which provide an efficient and convenient workplace as well as a comfortable and convenient community for residing enterprises.

As of 30 June 2014, the completed gross floor area ("**GFA**"), the GFA under development and the GFA planned for future development of business parks of the Group were approximately 1.7 million sq.m., 2.4 million sq.m. and 4.8 million sq.m., respectively.

Among which, as of 30 June 2014, Phase I of Wuhan First City was completed and the preparation work and potential clients attraction for Phase II have started, while conceptual plan for residential projects have also commenced.

Furthermore, as of 30 June 2014, the Group continued to further study aspects including the investment agreements, market and product positioning for the Shanghai Lingang Innovation Business Park.

Land Reserves

As at 30 June 2014, the total GFA of the Group's land reserves were 11.5 million sq.m., and the attributable GFA of the Group's land reserves were 7.8 million sq.m..

Breakdown of the Group's land reserves as of 30 June 2014

Business Parks/Multi-functional, integrated residential community projects	Equity Held by the Group	Site Area *(sq.m.)*	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA held for Future Development *(sq.m.)*
Business Parks:					
Dalian Software Park					
— Office Building Area:	100%	389,615	594,935	—	—
— Residential Area:	100%	237,313	142,082	243,391	86,753
Dalian Software Park Subtotal	100%	626,928	737,017	243,391	86,753
Dalian BEST City Core Area Business Park					
— Office Building Area:	100%	417,800	59,230	222,810	557,530
— Residential Area:	100%	826,490	93,770	830,627	105,340
Dalian BEST City Core Area Business Park Subtotal	100%	1,244,290	153,000	1,053,437	662,870
Wuhan First City					
— Office Building Area:	50%	618,762	—	—	1,138,916
— Residential Area:	50%	246,847	—	—	372,077
Wuhan First City Subtotal	50%	865,609	—	—	1,510,993
Yida Information Software Park					
— Office Building Area:	100%	162,291	—	151,286	118,798
— Residential Area:	59.5%–100%	675,410	200,945	520,353	172,188
Yida Information Software Park Subtotal	59.5%–100%	837,701	200,945	671,639	290,986
Dalian Ascendas IT Park					
— Office Building Area:	50%	275,944	159,182	—	95,953
Dalian Ascendas IT Park Subtotal	50%	275,944	159,182	—	95,953
Dalian Tiandi					
— Office Building Area:	30%	968,994	317,982	172,373	1,330,709
— Residential Area:	30%	579,298	143,077	228,991	804,026
Dalian Tiandi Subtotal	30%	1,548,292	461,059	401,364	2,134,735
Business Parks Total	30%–100%	5,398,764	1,711,203	2,369,831	4,782,290
Multi-functional, integrated residential community projects					
Dalian	25%–100%	1,247,938	239,541	944,139	1,272,443
Shenyang	100%	132,379	23,945	42,069	—
Chengdu	80%–100%	192,478	13,211	119,784	3,737
Beijing	35%	14,123	8,308	—	—
Multi-functional, integrated residential community projects Total:	25%–100%	1,586,918	285,015	1,105,992	1,276,180
Grand Total	25%–100%	6,985,682	1,996,218	3,475,823	6,058,470

During the six months ended 30 June 2014, the Group acquired a parcel of land in the Dalian Software Park with a planned GFA of approximately 86,753 sq.m for office, commercial and apartment usages.

Financial Review

Revenue

The sources of revenue of the Group primarily include (1) income from the 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 providing property management services.

For the six months ended 30 June 2014, the revenue of the Group was RMB3,221.2 million, representing an increase of 98.6% 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			
	2014		2013	
	Amount RMB '000	***% of total***	*Amount RMB '000*	*% of total*
Sales of properties	**2,934,383**	**91.1**	1,315,776	81.1
Rental income	**143,338**	**4.4**	141,947	8.8
Business park operation and management income	**2,331**	**0.1**	2,330	0.1
Construction, decoration and landscaping income	**48,066**	**1.5**	103,948	6.4
Property management income	**93,060**	**2.9**	57,756	3.6
Total	**3,221,178**	**100.0**	1,621,757	100.0

(1) Sales of properties

For the six months ended 30 June 2014, income of the Group derived from property sales amounted to RMB2,934.4 million, representing an increase of 123.0% from the corresponding period of last year, mainly attributable to the increase in area delivered during the period.

Properties sold for the period reached 249,800 sq.m, representing an increase of 167.0% from the corresponding period of last year, primarily due to the concentrated delivery of Phase V of Fifth County, Triumph Hill and Eastern Santaclara Phase II during the period.

Selling price per sq.m was RMB11,747, representing a 16.5% drop from the corresponding period of last year, mainly due to the lower unit price from the delivery of Phase V of Fifth County.

(2) Rental Income

The rental income of the Group for the six months ended 30 June 2014 was RMB143.3 million, representing an increase of 1.0% from the corresponding period of last year, reflecting the stable rental income during the period.

(3) Business Park Operation and Management Services Income

For the six months ended 30 June 2014, the income from business park operation and management services provided by the Group remained relatively stable at RMB2.3 million as compared to the corresponding period of last year.

(4) Construction, Decoration and Landscaping Income

The construction, decoration and landscaping income of the Group decreased by 53.8% to approximately RMB48.1 million for the six months ended 30 June 2014 from approximately RMB103.9 million in the corresponding period of last year, which was mainly due to our increasing provision of this type of services for projects developed by us and the decrease in provision of services to third parties.

(5) Property Management Services income

The property management services income increased by 61.1% to approximately RMB93.1 million for the six months ended 30 June 2014 from approximately RMB57.8 million in the corresponding period of last year, which was mainly attributable to the growth of area under management in residential premises and the more timely management fee payment of home-owners during the six months ended 30 June 2014, as well as the increase in rates for office premises.

Cost of Sales

The cost of sales of the Group for the six months ended 30 June 2014 were RMB2,137.9 million, representing an increase of 135.1% from the corresponding period of last year, which was mainly attributable to the increase in property sales for the period.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 June 2014 was RMB1,083.3 million, representing an increase of 52.0% from the corresponding period of last year. The gross profit margin decreased to 33.6% for the six months ended 30 June 2014 from 43.9% for the corresponding period of 2013, which was mainly attributable to the lower selling price of units for end-user demand from Phase V of Fifth County.

Other Income and Gains

Other income and gains of the Group include interest income, dividend income, government subsidy and other income. For the six months ended 30 June 2014, other income and gains of the Group were RMB67.7 million, representing an increase of approximately RMB13.3 million from the corresponding period of last year, which was mainly attributable to the gain on derecognition of Baiyun Hotel.

Sales and Marketing Costs

The sales and marketing costs of the Group increased by 62.2% to RMB95.6 million for the six months ended 30 June 2014 from RMB58.9 million in the corresponding period of last year, which was mainly due to the increase in advertising expenses, promotional expenses, showroom expenses as well as salary and incentives of sales personnel resulted from the growth of sales of residential premises.

Administrative Expenses

The administrative expenses of the Group increased by 3.0% to RMB196.1 million for the six months ended 30 June 2014 from RMB190.4 million in the corresponding period of last year, which was mainly attributable to the Listing expenses in June 2014 which led to the increase in administrative expenses.

Other Expenses

Other expenses of the Group include charity donation, fair value loss of derivative financial instruments and other expenses. For the six months ended 30 June 2014, other expenses of the Group were RMB42.2 million, representing an increase of RMB24.4 million compared with the corresponding period of last year, which was mainly due to the increase in losses of changes in fair value of put and call options.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased by 75.3% to RMB51.5 million for the six months ended 30 June 2014 from RMB208.6 million in the corresponding period of last year, which was mainly due to the lack of newly commenced investment properties or investment properties under construction transferred to completed investment properties during the period. Fair value gains are mainly derived from the construction progress achieved for projects under construction during the period.

Finance Costs

The finance costs of the Group mainly represented by the interests on borrowings that were not capitalized, was decreased by 36.5% to RMB97.1 million for the six months ended 30 June 2014 from RMB152.9 million in the corresponding period of last year. The decrease was primarily attributable to the increase of capitalized finance costs allocated to costs of property development during the period, while part of the interests were not capitalized for the corresponding period of last year as it failed to meet the criteria of capitalization as a result of completion of the project.

Share of Profits and Losses of Joint Ventures

For the six months ended 30 June 2014, the Group's share of losses of joint ventures was RMB20.1 million, representing a decrease of approximately RMB52.3 million from the corresponding period of last year, which was mainly attributable to the decrease of losses in Dalian Software Park Ascendas.

Share of Profits and Losses of Associated Companies

Share of profits and losses of associated companies was primarily contributed by Richcoast Group Limited ("**Richcoast Group**") and Crown Speed Investments Limited. For the six months ended 30 June 2014, the Group's share of losses of associated companies was RMB24.6 million, representing an increase in losses of approximately RMB23.9 million from the corresponding period of last year, which was mainly attributable to the losses of Dalian Tiandi which we hold interest through Richcoast Group.

Income Tax Expense

The income tax expenses of the Group includes corporate income tax, land appreciation tax and deferred tax. The income tax expenses of the Group increased by 7.0% to RMB352.3 million for the six months ended 30 June 2014 from RMB329.2 million in the corresponding period of last year, which was mainly due to the increase of taxable profits as compared to the corresponding period of last year.

Profit for the Period

As a result of the foregoing, the pre-tax profit of the Group increased by 50.7% to RMB726.8 million for the six months ended 30 June 2014 from RMB482.3 million in the corresponding period of last year.

The net profit of the Group increased by 144.5% to RMB374.5 million for the six months ended 30 June 2014 from RMB153.1 million in the corresponding period of last year.

The net profit attributable to equity owners increased by 176.7% to RMB374.5 million for the six months ended 30 June 2014 from RMB135.3 million in the corresponding period of last year.

The core net profit attributable to equity owners (excluding effect of fair value gains on investment properties net of tax) increased to RMB335.8 million for the six months ended 30 June 2014 from net loss of RMB11.9 million in the corresponding period of last year.

Liquidity, Financial and Capital Resources

Cash Position

As of 30 June 2014, the Group had cash and bank balances (including restricted cash) of approximately RMB2,965.5 million (31 December 2013: cash and bank balances of approximately RMB3,527.0 million, including restricted cash of approximately RMB1,410.6 million).

Debts

As of 30 June 2014, the Group had bank and other borrowings of approximately RMB16,404.4 million (31 December 2013: approximately RMB13,426.7 million), of which:

(1) By loan type

	30 June 2014	31 December 2013
	RMB'000	*RMB'000*
Secured bank loans	**10,955,392**	8,631,047
Unsecured bank loans	**350,000**	585,000
Secured other borrowings	**3,899,028**	3,010,616
Unsecured other borrowings	**1,200,000**	1,200,000
	16,404,420	13,426,663

(2) By maturity date

	30 June 2014	31 December 2013
	RMB'000	*RMB'000*
Within one year or on demand	**4,460,200**	5,148,302
In the second year	**6,479,718**	4,425,824
In the third to fifth years	**4,208,402**	3,135,622
Beyond five years	**1,256,100**	716,915
	16,404,420	13,426,663

Debt Ratio

The net debt 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 158% as of 30 June 2014 and approximately 140% as of 31 December 2013. The increase in the net debt ratio was mainly due to the change of borrowing entities from related parties to the Group in the amount of RMB3,060.0 million prior to the Listing.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As of 30 June 2014, the Group had cash and bank balances (including restricted cash) of approximately RMB1,122.6 million and approximately RMB544.9 million denominated in Hong Kong dollars and United States dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to our customers to purchase our properties. In accordance with industry practice, we are 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 of 30 June 2014, the Group provided a guarantee of approximately RMB506.0 million to commercial banks in China in respect of bank mortgages granted to the customers of the Group (compared with 31 December 2013: approximately RMB632.2 million).

In addition to guarantees we provided in respect of the mortgage facilities to our customers, as of 30 June 2014, we provided a guarantee in the amount of not exceeding RMB150.0 million (31 December 2013: RMB150.0 million) to the shareholders of Richcoast Group. This guarantee was provided in respect of the payment obligations of Richcoast to a joint venture and the joint venture partner in accordance with our shareholding percentage.

As of 30 June 2014, we also provided guarantees to the extent of RMB740.0 million (31 December 2013: RMB490.0 million) to banks in respect of bank borrowings granted to the joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2014, the Group had 2,889 full-time employees in the PRC and Hong Kong. The Group distributes remunerations to the staff based on the performances, working 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 2014.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Since the date of Listing and up to the date of this announcement, the Company has complied with all the code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix 10 to the Listing Rules as the code for securities transactions by the Directors. The Company has made specific enquiry with each of the Directors and all Directors have confirmed that they complied with the Model Code throughout the period from the date of Listing up to the date of this announcement.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from the date of Listing up to the date of this announcement, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, save for the capitalisation issue which took place immediately before the Listing on 27 June 2014 and the issue and allotment of an additional 3,970,000 over-allotment Shares, for the purpose of covering the over-allocation in the international placing on 23 July 2014.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2014, the Group had no material acquisitions or disposals of subsidiaries and affiliated companies.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the period from the date of adoption to the date of this announcement, 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 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 three independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Ip Yuk Chi Eddie and Mr. Guo Shaomu. Mr. Yip Wai Ming has been appointed 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.

USE OF PROCEEDS FROM GLOBAL OFFERING

On 27 June 2014, the shares of the Company were listed on the Main Board of the Stock Exchange. After the exercise of the over-allotment option, the Company issued 583,970,000 Shares at HK$2.45 each. The net proceeds from the above global offering were approximately HK$1,368.1 million (after deducting relevant listing expenses). The Company will use the net proceeds in proportion as set out in the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the prospectus issued by the Company on 17 June 2014.

REVIEW OF THE INTERIM RESULTS

The unaudited interim financial information of the Group for the six months ended 30 June 2014 has been reviewed by the auditors of the Company, 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. The unaudited interim financial information of the Group for the six months ended 30 June 2014 has also been reviewed by the Audit Committee.

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

The 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.cn. The interim report of the Company for the six months ended 30 June 2014 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
Sun Yinhuan
Chairman

Dalian, Liaoning Province, PRC, 20 August 2014

As at the date of this announcement, the executive directors of the Company are Mr. Sun Yinhuan, Mr. Sun Yinfeng, Mr. Sun Yansheng, Mr. Jiang Xiuwen, Mr. Gao Wei and Mr. Wen Hongyu and the independent non-executive directors of the Company are Mr. Ip Yuk Chi Eddie, Mr. Yip Wai Ming and Mr. Guo Shaomu.