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YIDA CHINA HOLDINGS LIMITED

億達中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3639)

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

INTERIM RESULTS HIGHLIGHTS

For the six months ended 30 June 2015,

- Recognised revenue amounted to RMB2,753.7 million, among which, business park operation and management income amounted to RMB13.4 million, representing an increase of 473.5% as compared to the same period in 2014;
- Gross profit amounted to RMB839.7 million, and gross profit margin was 30.5%;
- Profit attributable to equity owners amounted to RMB313.8 million; core net profit attributable to equity owners amounted to RMB284.8 million, and core net profit margin was 10.3%;
- Basic earnings per share were RMB12.14 cents, while basic core earnings per share were RMB11.02 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 2015 (the “**Period**”) together with comparative figures for the corresponding period in 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
REVENUE	4	2,753,714	3,221,178
Cost of sales		(1,914,063)	(2,137,927)
Gross profit		839,651	1,083,251
Other income and gains	4	23,244	67,727
Selling and marketing expenses		(99,038)	(95,554)
Administrative expenses		(172,200)	(196,093)
Other expenses		(9,631)	(42,226)
Fair value gains on investment properties	11	38,385	51,516
Finance costs	6	(72,906)	(97,116)
Share of profits and losses of:			
Joint ventures		4,836	(20,121)
Associates		(23,834)	(24,593)
PROFIT BEFORE TAX	5	528,507	726,791
Income tax expenses	7	(214,916)	(352,312)
PROFIT FOR THE PERIOD		313,591	374,479
Attributable to:			
Owners of the parent		313,779	374,479
Non-controlling interests		(188)	—
		313,591	374,479
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB per share)	9	12.14 cents	18.60 cents
Diluted (RMB per share)	9	12.14 cents	18.60 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	<i>Notes</i>	30 June 2015 <i>RMB'000</i> (Unaudited)	31 December 2014 <i>RMB'000</i> (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	109,678	118,628
Investment properties	<i>11</i>	11,148,950	11,055,930
Investments in joint ventures		2,347,694	2,458,340
Investments in associates		749,229	697,185
Prepayments for acquisition of land		1,925,558	1,875,683
Land held for development for sale		840,255	840,255
Other receivables		38,000	38,000
Intangible assets		10,066	10,906
Available-for-sale investments		24,540	24,540
Deferred tax assets		117,891	159,543
Total non-current assets		17,311,861	17,279,010
CURRENT ASSETS			
Inventories		3,402	2,892
Land held for development for sale		491,117	269,551
Properties under development		6,981,485	8,253,644
Completed properties held for sale		2,659,184	2,050,867
Prepayments for acquisition of land		249,655	386,212
Gross amount due from contract customers		130,532	67,251
Trade receivables	<i>12</i>	761,926	384,629
Prepayments, deposits and other receivables		5,215,514	4,483,976
Prepaid corporate income tax		92,545	70,719
Prepaid land appreciation tax		101,787	108,586
Restricted cash		2,616,735	2,059,043
Cash and cash equivalents		926,965	740,071
Total current assets		20,230,847	18,877,441

	<i>Notes</i>	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
CURRENT LIABILITIES			
Gross amount due to contract customers		510,642	382,076
Receipts in advance		4,503,934	3,629,206
Trade payables	<i>13</i>	2,163,780	2,311,255
Other payables and accruals		1,246,176	1,793,659
Derivative financial instruments		387,828	138,697
Interest-bearing bank and other borrowings	<i>14</i>	8,970,370	5,342,262
Tax payable		362,952	386,616
Provision for land appreciation tax		304,517	367,577
Total current liabilities		18,450,199	14,351,348
NET CURRENT ASSETS		1,780,648	4,526,093
TOTAL ASSETS LESS CURRENT LIABILITIES		19,092,509	21,805,103
NON-CURRENT LIABILITIES			
Derivative financial instruments		—	245,480
Interest-bearing bank and other borrowings	<i>14</i>	8,470,178	10,909,511
Other payables		97,970	122,570
Deferred tax liabilities		1,562,164	1,548,466
Total non-current liabilities		10,130,312	12,826,027
Net assets		8,962,197	8,979,076
EQUITY			
Equity attributable to owners of the parent			
Issued capital	<i>15</i>	159,418	159,418
Reserves		8,791,073	8,477,175
Proposed dividend		—	341,084
		8,950,491	8,977,677
Non-controlling interests		11,706	1,399
Total equity		8,962,197	8,979,076

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

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’s located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally involved in property development, property investment, business park operation and management, property management, construction, decoration and landscaping in Dalian, Wuhan, Shenyang, Beijing and Chengdu, 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)**”), and the holding company and the ultimate holding company of the Company is Right Won, which is incorporated in the British Virgin Islands.

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 of Hong Kong Limited 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 Group’s annual financial statements for the year ended 31 December 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 2015 for the current period’s interim financial information.

Amendments to HKAS 19

Annual Improvements 2010–2012 Cycle

Annual Improvements 2011–2013 Cycle

Defined Benefit Plans: Employee Contributions

Amendments to a number of HKFRSs

Amendments to a number of HKFRSs

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

2.1 IMPACT OF ISSUED BUT NOT EFFECTIVE HKFRSs

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

HKFRS 9	<i>Financial Instruments</i> ³
Amendments to HKFRS 10 HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS 10 HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> ¹
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ¹
HKFRS 14	<i>Regulatory Deferral Accounts</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to HKAS 1	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> ¹
<i>Annual Improvements 2012–2014 Cycle</i>	<i>Amendments to a number of HKFRSs</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

⁴ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

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 interim 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 and/or for capital appreciation potential;
- (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 work 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.

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

During the six months ended 30 June 2015 and 2014, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

For the six months ended 30 June 2015

<i>(Unaudited)</i>	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Business park operation and management <i>RMB'000</i>	Construction, decoration and landscaping <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:							
Sales to external customers	<u>2,158,084</u>	<u>169,764</u>	<u>13,368</u>	<u>275,920</u>	<u>136,578</u>	<u>—</u>	<u>2,753,714</u>
Segment results	446,079	137,114	(2,468)	13,676	7,494	(19,538)	582,357
<i>Reconciliation:</i>							
Interest income							22,205
Dividend income and unallocated gains							502
Corporate and other unallocated expenses							(3,651)
Finance costs							<u>(72,906)</u>
Profit before tax							528,507
Income tax expenses							<u>(214,916)</u>
Profit for the period							<u><u>313,591</u></u>

For the six months ended 30 June 2014

<i>(Unaudited)</i>	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Business park operation and management <i>RMB'000</i>	Construction, decoration and landscaping <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:							
Sales to external customers	<u>2,934,383</u>	<u>143,338</u>	<u>2,331</u>	<u>48,066</u>	<u>93,060</u>	<u>—</u>	<u>3,221,178</u>
Segment results	775,269	99,741	1,818	14,147	8,412	(42,557)	856,830
<i>Reconciliation:</i>							
Interest income							6,231
Dividend income and unallocated gains							669
Corporate and other unallocated expenses							(39,823)
Finance costs							<u>(97,116)</u>
Profit before tax							726,791
Income tax expenses							<u>(352,312)</u>
Profit for the period							<u><u>374,479</u></u>

4. REVENUE, OTHER INCOME AND GAINS

Revenue 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	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of properties	2,158,084	2,934,383
Gross rental income	169,764	143,338
Business park operation and management service income	13,368	2,331
Construction, decoration and landscaping income	275,920	48,066
Property management income	136,578	93,060
	<u>2,753,714</u>	<u>3,221,178</u>
Other income and gains		
Bank interest income	22,205	6,231
Government subsidies	—	50
Gain on derecognition of a property	—	57,800
Others	1,039	3,646
	<u>23,244</u>	<u>67,727</u>

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	1,519,830	1,963,847
Cost of services provided	348,606	125,077
Depreciation	11,450	11,868
Amortisation of intangible assets	840	867
Fair value loss of derivative financial instruments	3,651	39,823
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	45,627	49,003

6. FINANCE COSTS

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	730,699	875,850
Less: Interest capitalised	(657,793)	(778,734)
	<u>72,906</u>	<u>97,116</u>

7. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2015 and 2014. 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 2015 and 2014.

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

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Group:		
Current:		
PRC corporate income tax	81,427	212,469
PRC land appreciation tax	78,139	158,188
	<u>159,566</u>	<u>370,657</u>
Deferred:		
Current period	<u>55,350</u>	<u>(18,345)</u>
Total tax charge for the period	<u>214,916</u>	<u>352,312</u>

8. INTERIM DIVIDEND

The Company resolved not to declare an interim dividend for 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 basic earnings per share for the period is based on the consolidated profit attributable to the equity holders of the parent of RMB313,779,000 (six months ended 30 June 2014: RMB374,479,000), and the weighted average number of ordinary shares of 2,583,970,000 (six months ended 30 June 2014: 2,012,817,680) in issue during the period.

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 in June 2014.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2015 and 2014 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 2015, the Group acquired property, plant and equipment of RMB5,329,000 (six months ended 30 June 2014: RMB9,090,000).

11. INVESTMENT PROPERTIES

	Completed RMB'000	Under construction RMB'000	Total RMB'000
<i>(Unaudited)</i>			
At 1 January 2015	8,139,370	2,916,560	11,055,930
Additions	2,610	52,025	54,635
Net gains from fair value adjustments	4,410	33,975	38,385
	<u>8,146,390</u>	<u>3,002,560</u>	<u>11,148,950</u>
At 30 June 2015	<u>8,146,390</u>	<u>3,002,560</u>	<u>11,148,950</u>
	Completed RMB'000	Under construction RMB'000	Total RMB'000
<i>(Unaudited)</i>			
At 1 January 2014	8,089,870	2,706,712	10,796,582
Transfer from completed properties held for sale	141,491	—	141,491
Additions	5,672	33,961	39,633
Disposal	(90,000)	(11,144)	(101,144)
Net (losses)/gains from fair value adjustments	(30,163)	81,679	51,516
	<u>8,116,870</u>	<u>2,811,208</u>	<u>10,928,078</u>
At 30 June 2014	<u>8,116,870</u>	<u>2,811,208</u>	<u>10,928,078</u>

At 30 June 2015, certain of the Group's investment properties of RMB9,995,257,000 (31 December 2014: RMB9,205,808,000) were pledged to banks to secure the loans granted to the Group (note 14).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 18(a).

The Group's completed investment properties and investment properties under construction were revalued as at 30 June 2015 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers.

11. INVESTMENT PROPERTIES (Continued)

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

For investment properties under construction which were stated at fair value at 30 June 2015, valuations were based on the residual approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain investment properties under construction measured at fair value in the aggregate carrying amount of RMB1,181,000,000 (31 December 2014: RMB1,146,000,000) as at 30 June 2015, which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and development and outsourcing services.

Unrealised gains included in the consolidated statement of profit or loss for completed investment properties for the six months ended 30 June 2015 were RMB4,410,000 (the six months ended 30 June 2014: unrealised losses of RMB30,163,000).

Unrealised gains included in the consolidated statement of profit or loss for investment properties under construction for the six months ended 30 June 2015 were RMB33,975,000 (six months ended 30 June 2014: RMB81,679,000).

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			30 June 2015	31 December 2014
Completed	Income approach (refer above)			
Retail		Estimated yearly rental value per square metre (RMB)	413–2,019	396–2,004
Office		Estimated yearly rental value per square metre (RMB)	565–855	563–851
Car park		Estimated yearly rental value per lot (RMB)	3,564–5,012	3,564–5,012
Retail		Capitalisation rate	5%–6%	5%–6%
Office		Capitalisation rate	5%	4.5%–5%
Car park		Capitalisation rate	4%	3.5%–4%
Under construction	Residual approach (refer above)			
Retail		Estimated yearly rental value per square metre (RMB)	693	665–672
Office		Estimated yearly rental value per square metre (RMB)	665–747	684–721
Car park		Estimated yearly rental value per lot (RMB)	3,125–4,243	3,125–4,248
Retail		Capitalisation rate	5%	5%
Office		Capitalisation rate	5%	5%
Car park		Capitalisation rate	6%	3.5%–4%
Retail, office and car park		Development profit	1%–14%	1.5%–20%

Significant increases/(decreases) in estimated yearly rental value per square metre in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increases/(decreases) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

Generally, a change in the assumption made for the estimated yearly rental value per square meter is accompanied by a directionally similar change in the development profit and an opposite change in the capitalisation rate.

12. 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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Neither past due nor impaired		
Within 1 year	351,972	196,990
1 to 2 years	281,833	115,943
Over 2 years	82,643	18,794
Past due but not impaired		
1 to 2 years	45,478	52,902
	761,926	384,629

Trade receivables represent receivables for contract works. The payment terms of contract works receivables are stipulated in the relevant contracts.

As at 30 June 2015, included in the Group's trade receivables are amounts due from a related company controlled by Yida Group Co., Ltd. ("Yida Group") of RMB21,276,000 (31 December 2014: RMB20,081,000), which are repayable on similar credit terms to those offered to the major customers of the Group. Yida Group is ultimately controlled by Mr. Sun Yinhan.

As at 30 June 2015, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB165,464,000 (31 December 2014: RMB158,295,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

As at 30 June 2015, included in the Group's trade receivables are amounts due from the Group's associates of RMB261,939,000 (31 December 2014: RMB349,571,000), which are repayable on similar credit terms to those offered to the major customers of the Group.

13. 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:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Due within 1 year or on demand	1,168,833	1,289,887
Due within 1 to 2 years	994,947	1,021,368
	2,163,780	2,311,255

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

As at 30 June 2015, included in the Group's trade payables are amounts due to the Group's joint venture of RMB64,144,000 (31 December 2014: RMB76,405,000), which are unsecured, interest-free and repayable within 1 to 2 years.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2015 (Unaudited)			31 December 2014 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	2.00–14.00	2015–2016	6,609,058	6.09–10.50	2015	4,261,214
Bank loans — unsecured	6.00–7.29	2015–2016	170,000	6.00–7.29	2015	306,000
Other loans — secured	6.65–11.50	2015–2016	2,191,312	6.40–11.50	2015	775,048
			<u>8,970,370</u>			<u>5,342,262</u>
Non-current						
Bank loans — secured	4.95–9.83	2017–2022	5,799,948	6.15–14.00	2016–2022	7,109,911
Bank loans — unsecured	6.15	2017	50,000	6.15	2017	100,000
Other loans — secured	6.50–12.00	2017–2022	1,420,230	6.40–12.00	2016–2022	2,499,600
Other loans — unsecured	11.80	2017	1,200,000	11.80	2017	1,200,000
			<u>8,470,178</u>			<u>10,909,511</u>
			<u>17,440,548</u>			<u>16,251,773</u>
				30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)	
Analysed into:						
Bank loans repayable:						
Within one year or on demand			6,779,058			4,567,214
In the second year			3,277,250			3,524,186
In the third to fifth years, inclusive			1,540,298			2,503,975
Beyond five years			1,032,400			1,181,750
			<u>12,629,006</u>			<u>11,777,125</u>
Other loans repayable:						
Within one year or on demand			2,191,312			775,048
In the second year			1,920,230			1,719,600
In the third to fifth years, inclusive			700,000			1,960,000
Beyond five years			—			20,000
			<u>4,811,542</u>			<u>4,474,648</u>
			<u>17,440,548</u>			<u>16,251,773</u>

14. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (a) Certain of the Group's bank and other loans are secured or guaranteed by:
- (i) mortgages over the Group's properties under development with an aggregate carrying value at 30 June 2015 of approximately RMB5,147,606,000 (31 December 2014: RMB5,828,943,000);
 - (ii) pledges of the Group's investment properties with an aggregate carrying value at 30 June 2015 of approximately RMB9,995,257,000 (31 December 2014: RMB9,205,808,000);
 - (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 30 June 2015 of approximately RMB1,101,791,000 (31 December 2014: RMB840,255,000);
 - (iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 30 June 2015 of approximately RMB1,053,905,000 (31 December 2014: RMB522,582,000);
 - (v) pledges of a building of the Group with a carrying value at 30 June 2015 of approximately nil (31 December 2014: RMB66,960,000);
 - (vi) pledges of the Group's prepayment for acquisition of land with a carrying value at 30 June 2015 of approximately RMB249,656,000 (31 December 2014: RMB249,656,000);
 - (vii) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB12,131,190,000 as at 30 June 2015 (31 December 2014: RMB10,595,103,000);
 - (viii) pledge of certain equity interests of the subsidiaries of the Company as at the end of the reporting period; and
 - (ix) pledges of certain of the Group's time deposits with an aggregate carrying value at of approximately RMB2,087,776,000 as at 30 June 2015 (31 December 2014: RMB1,687,943,000).
- (b) Other than certain bank and other borrowings with a carrying amount of RMB989,590,000 (31 December 2014: RMB455,048,000) denominated in United States dollars as at 30 June 2015, all bank and other borrowings of the Group are denominated in RMB as at 30 June 2015.

15. ISSUED CAPITAL

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Authorised:		
50,000,000,000 shares of US\$0.01 each	3,124,300	3,124,300
Issued and fully paid:		
2,583,970,000 ordinary shares of US\$0.01 each	159,418	159,418

There were no transactions involving the Company's issued ordinary share capital during the current period.

16. FINANCIAL GUARANTEES

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

- (a) As at 30 June 2015, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB469,667,000 (31 December 2014: RMB598,949,000).

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 2015, the Group provided a guarantee for an amount not exceeding RMB150,000,000 (31 December 2014: RMB150,000,000) in respect of the payment obligations of a subsidiary of Richcoast Group Limited ("**Richcoast Group**") (an associate of the 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 RMB154,600,000 (31 December 2014: RMB181,600,000) as at 30 June 2015 in respect of the bank and other loans granted to the associates.
- (d) The Group provided guarantees to the extent of RMB1,034,500,000 as at 30 June 2015 (31 December 2014: RMB1,268,000,000), 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.

17. PLEDGE OF ASSETS

Details of the Group's bank and other loans which are secured by the assets of the Group, are included in note 14 to the interim financial information.

18. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 11) 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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Within one year	252,580	245,826
In the second to fifth years, inclusive	444,273	406,692
After five years	162,767	89,037
	<u>859,620</u>	<u>741,555</u>

(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 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Within one year	11,940	6,600
In the second to fifth years, inclusive	2,687	3,177
	<u>14,627</u>	<u>9,777</u>

19. COMMITMENTS

In addition to the operating lease commitments detailed in note 18(b) above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	<u>3,584,406</u>	<u>2,395,287</u>

20. 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:

		For the six months ended 30 June	
	<i>Notes</i>	2015	2014
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Service fees from joint ventures	(i)	78,490	47,217
Service fees from associates	(i)	155,105	47,670
Service fees from companies controlled by the Controlling Shareholder	(i)	118	2,071
Service fees paid to joint venture	(i)	6,157	3,303
Rental income from joint ventures	(ii)	322	—
Rental income from companies controlled by the Controlling Shareholder	(ii)	934	953
Rental expense to a company controlled by the Controlling Shareholder	(ii)	708	567
Consulting fees from joint ventures	(iii)	9,668	6,910
Interest income from an associate	(iv)	3,422	—

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 charged for the project design, implementation and management services provided by the Group at rates determined in accordance with the terms and conditions set out in contracts entered into between the related parties.
- (iv) The interest income was related to an advance made to an associate. The interest rate was mutually agreed with the associate.

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

20. RELATED PARTY TRANSACTIONS (Continued)

(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	
	2015 <i>RMB'000</i> (Unaudited)	2014 <i>RMB'000</i> (Unaudited)
Short term employee benefits	2,459	2,115
Post-employment benefits	80	78
	<u>2,539</u>	<u>2,193</u>

- (c) As at 30 June 2015, included in the Group's other receivables are amounts due from joint ventures of RMB473,708,000 (31 December 2014: RMB344,073,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2015, included in the Group's other receivables are amounts due from a joint venture of RMB43,000,000 (31 December 2014: RMB38,000,000), which is unsecured, bears interest at 5.1%–5.5% (31 December 2014: 6.4%) per annum and is repayable within one to three years.

As at 30 June 2015, included in the Group's other receivables are amounts due from associates of RMB128,329,000 (31 December 2014: RMB104,484,000), which are unsecured, interest-free and repayable on demand.

- (d) As at 30 June 2015, included in the Group's other payables are amounts due to joint ventures of RMB337,325,000 (31 December 2014: RMB163,853,000), which are unsecured, interest-free and repayable on demand.

21. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved and authorised for issue by the board of directors on 20 August 2015.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of the Group for the six months ended 30 June 2015.

Against the backdrop that the growth of China's economy has stabilized, though slowed down, in the first half of 2015, the government continued to strengthen its policies to promote stable economic growth. As a result, gross domestic product growth of 7% was recorded in both the first and second quarters of 2015. Affected by a multiple of factors such as costs, government policies, ancillary facilities and transportation, it has become a trend for tenants which primarily engage in sectors such as technological research and development, information technology, strategic emerging industries, financial back office services, headquarters economic activities, cultural and creative industries, and industrial design moving into business parks. The overall performance of the business park market was promising with significant demand while competition in respect of the quality would intensify as a result of continuous elevation of the overall standard of software and hardware of various business parks. In addition, driven by the government's call for "Mass Entrepreneurship and Mass Innovation" ("大眾創業, 萬眾創新"), a multiple of policies that promote the development of small-to-medium-sized micro-enterprises were promulgated by both central and local government, which gave rise to new market opportunities for industrial real estate.

Seizing opportunities arising from the development of the industry, the Group adhered to its customer-oriented philosophy and utilized the Internet Plus ("互聯網+") platform, and this further enhanced its development of the business parks and its capability of operation and management over the parks. As at 30 June 2015, the development and operation of all of the Group's business parks progressed smoothly. During the Period, Dalian Software Park continued to upgrade the industry profile of the park. On top of securing its existing tenants which engage in traditional industries, the park has expedited its pace in absorbing tenants engaging in various emerging industries including internet of things, big data industry and cloud computing. As at 30 June 2015, the occupancy rate of Dalian Software Park was approximately 95%, with 284 enterprises in total, including 48 Fortune Global 500 Enterprises. There were 54 enterprises settled in Dalian BEST City Core Area Business Park, including six Fortune Global 500 Enterprises such as Panasonic, Hitachi and GOODYEAR. In addition to the lease and operation of office buildings in the business parks, the Group has further extended its scope of operation to the sale of office properties. Taking full advantage of the cluster effect of software industries in the region is expansion, Wuhan First City was dedicated to explore the enterprise resources over the upstream and downstream of the industry chain. The Group's core capability in the development of business parks through integration of sale and lease model gained significant market recognition.

Abiding by its pre-determined development strategies, the Group's expansion focused on cities such as Shanghai, Beijing, Shenzhen and Hangzhou. The Group also further expanded its business in the operation and management of light-assets. As at 30 June 2015, business parks that were contracted for entrusted operation included Phase I of Wuhan First City (武漢軟件新城一期), Shanghai Jiangqiao Business Park (上海江橋商務園), Suzhou High-speed Rail Cultural and Creative Park (蘇州高鐵文創園), Suzhou Wuzhong Shangjinwan Project (蘇州吳中尚金灣項目) and Shenzhen Longgang Haikexing Project (深圳龍崗海科興項目). During the six months ended 30 June 2015, the total of areas under light-assets operation and management was increased by approximately 560,000 sq.m..

Looking forward to the second half of the year, the central government will maintain its policy with a goal of “Stabilizing the Growth”, and promote the transformation of economic structure while accelerating the implementation of innovation-driven development strategies to advocate “Mass Entrepreneurship and Mass Innovation”. Industrial real estate has entered into a critical upgrading stage. Industrial transformation and business innovation will be the main themes for market development in the future.

In the second half of the year, the Group will continue to uphold its development tactic of “Combining Light with Heavy Assets Operation Together” and its development focus of “Enhancing Capability and Expanding Scale” so as to further elevate its capability of business solicitation, operation and property management in respect of office buildings, and enhance its recognition from the government, market and business partners. Securing the opportunities brought by the favourable government policies in respect of industrial innovation, the Group will follow the trend of innovation-driven industrial development and expand into various new driving forces of business growth with its experience in the operation and management of the business parks accumulated throughout years. The Group will strengthen its effort in expanding into various target cities such as Shanghai, Beijing, Shenzhen and Hangzhou. In addition, by prioritizing light asset business, promoting its solutions for the whole industry chain on the planning and construction of industry profile of business parks, business development and operation, property management and value-added services, and riding on its experience and strength in the upgrade of industry profile, the Group will drive the development and opening up of investment business, implement the business mode that involves high degree of city-industry integration, and strive to become the best business park operators in China.

On behalf of the board of directors of the Company, I hereby express the heartfelt thanks to all shareholders, partners, local governments and customers for their supports to the Group and also thankful to the joint efforts of our Directors, management team and all staff member.

Yida China Holdings Limited
Sun Yinhuan
Chairman

Dalian, Liaoning Province, PRC, 20 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Development and Operation of Business Parks

As at 30 June 2015, there were 19 residential property projects in business parks on sale, achieved contracted sales of approximately RMB1,979 million, representing 49% of the contracted sales amount of the Group for the Period (equity share amount of approximately RMB1,658 million), the gross floor area of contracted sales was 149,864 sq.m..

During the six months ended 30 June 2015, Dalian Software Park continued to upgrade the industry profile of the park and introduced the tenants from emerging industries including two enterprises from mobile internet industries and two enterprise from internet of vehicle industry. Dalian Software Park completed the construction of a mechanical parking system for provision of more comprehensive ancillary services for its tenants. As at 30 June 2015, the occupancy rate of Dalian Software Park was approximately 95%. As at 30 June 2015, Dalian Software Park has 284 enterprise tenants which included 48 Fortune Global 500 Enterprises.

During the six months ended 30 June 2015, there were two well-known customers moved in to Dalian BEST City Core Area Business Park with leased area increased by approximately 10,000 sq.m.. As at 30 June 2015, there were 54 enterprises tenants in the park, which included six Fortune Global 500 Enterprises such as Panasonic, Hitachi and GOODYEAR. The number of employees from settled enterprises amounted to 3,000. The occupancy rate of the park was approximately 68%.

During the six months ended 30 June 2015, Dalian Ascendas IT Park optimized the structure of its industry profile with the admission of various well-known customers such as Softbank and Transcosmo. The leased area was increased by approximately 5,000 sq.m.. As at 30 June 2015, the occupancy rate of the park was approximately 89%, with 61 enterprises tenants including 13 Fortune Global 500 Enterprises, representing approximately 55% of the leased area. The construction of Office Building No. 5 in the park progressed smoothly, and it is expected that the building will be completed by the end of 2015.

As at 30 June 2015, the contracted and leased area of Yida Information Software Park was approximately 30,000 sq.m., representing approximately 45% of the leasable area. Settled enterprises are now carrying out design and renovation works. It is expected that the relevant renovation work and settlement will be completed by the end of 2015.

During the six months ended 30 June 2015, the office properties area subscribed and sold for Wuhan First City Phase II was approximately 24,000 sq.m., as at 30 June 2015, the sold area accumulatively was approximately 88,000 sq.m., approximately accounting for 56.5% of the total saleable area. The construction progressed smoothly and the construction of the main structures are expected to be completed by the end of this year. During the Period, the construction work of the office buildings of Phase III and the residential building project of phase I have already commenced.

The Development of Multi-functional Integrated Residential Communities

As at 30 June 2015, the Group had a total of 12 multi-functional integrated residential community projects on sale, achieved contracted sales of approximately RMB2,098 million, representing 51% of the contracted sales amount of the Group for the Period (equity share amount of approximately RMB2,056 million), the gross floor area of the contracted sales was 352,146 sq.m..

The Operation and Management of Business Parks

During the six months ended 30 June 2015, the Group continued to develop its light asset business.

The area under operation and management in Wuhan First City Phase I was 167,000 sq.m.. As at 30 June 2015, the occupancy rate of such was approximately 76.0%.

The area under operation and management of Shanghai Jiangqiao Business Park Project was 47,000 sq.m.. As at 30 June 2015, all of the area under operation and management has been delivered to the Group for operation and management, in respect of which the Group has started up specialized marketing. During the Period, the contracted and leased area was approximately 8,000 sq.m.

The area under operation and management of Suzhou High-speed Rail Cultural and Creative Park was 171,000 sq.m.. As at 30 June 2015, area delivered to the Group for operation and management was 83,000 sq.m.. During the Period, the area contracted and leased was increased by approximately 12,000 sq.m..

Suzhou Wuzhong Shangjinwan Project is expected to be completed and delivered to the Group for operation by late 2015. The area under operation and management was approximately 100,000 sq.m.. During the Period, the Group has carried out specialized brand promotion and potential client accumulation for the project.

During the six months ended 30 June 2015, the Group entered into an entrusted operation and management agreement in respect of Shenzhen Longgang Haikexing Project. The area under operation and management was approximately 71,000 sq.m.. As at 30 June 2015, area delivered to the Group for operation was approximately 70,000 sq.m..

Land Reserves

As at 30 June 2015, the total gross floor area (“GFA”) of the Group’s land reserves was approximately 10.56 million sq.m., and the attributable GFA of the Group’s land reserves was approximately 6.94 million sq.m..

The following table sets forth a breakdown of the Group’s land reserves as at 30 June 2015:

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	282,551	86,753	—
Subtotal	100%	626,928	877,486	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	148,350	599,294	105,340
Subtotal	100%	1,244,290	207,580	822,104	662,870
Wuhan First City					
Office Building					
Area	50%	618,762	—	276,682	862,234
Residential Area	50%	246,847	—	—	372,077
Subtotal	50%	865,609	—	276,682	1,234,311
Yida Information					
Software Park					
Office Building					
Area	100%	162,291	—	151,286	118,798
Residential Area	59.5%–100%	675,410	438,239	173,085	172,188
Subtotal	59.5%-100%	837,701	438,239	324,371	290,986

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.)
Dalian Ascendas IT Park					
Office Building					
Area	50%	275,944	159,182	34,136	41,968
Subtotal	50%	275,944	159,182	34,136	41,968
Dalian Tiandi					
Office Building					
Area	30%	968,994	317,982	172,373	1,330,709
Residential Area	30%	579,298	90,076	243,718	767,776
Subtotal	30%	1,548,292	408,058	416,091	2,098,485
Business Parks					
Subtotal	30%–100%	5,398,764	2,090,545	1,960,137	4,328,620
Multi-functional, Integrated Residential Community Projects					
Dalian	25%–100%	1,111,905	520,731	202,607	1,272,443
Shenyang	100%	132,379	18,115	42,069	—
Chengdu	80%–100%	192,478	5,021	119,784	3,737
Multi-functional, Integrated Residential Community					
Subtotal	25%–100%	1,436,762	543,867	364,460	1,276,180
Grand Total	25%–100%	6,835,526	2,634,412	2,324,597	5,604,800

* Including car parks and retails for sale/lease

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.

As at 30 June 2015, the revenue of the Group was RMB2,753.7 million, representing a decrease of 14.5% from the corresponding period of last year, which was mainly attributable to the decrease in the income from the sales of properties for the Period.

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

	For the six months ended 30 June			
	2015		2014	
	<i>Amount</i>	<i>% of total</i>	<i>Amount</i>	<i>% of total</i>
	<i>RMB'000</i>		<i>RMB'000</i>	
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Sales of properties	2,158,084	78.3	2,934,383	91.1
Rental income	169,764	6.2	143,338	4.4
Business park operation and management income	13,368	0.5	2,331	0.1
Construction, decoration and landscaping income	275,920	10.0	48,066	1.5
Property management income	136,578	5.0	93,060	2.9
Total	<u>2,753,714</u>	<u>100.0</u>	<u>3,221,178</u>	<u>100.0</u>

(1) Sales of properties

For the six months ended 30 June 2015, income of the Group derived from property sales amounted to RMB2,158.1 million, representing a decrease of 26.5% from the corresponding period of last year, mainly attributable to the relatively lower unit price of the resettlement project for which income was recognized during the Period.

(2) Rental Income

The rental income of the Group for the six months ended 30 June 2015 was RMB169.8 million, representing an increase of 18.4% from the corresponding period of last year, mainly attributable to the increase in the unit rent for new tenants and renewed tenants during the Period.

(3) Business Park Operation and Management Services Income

For the six months ended 30 June 2015, the income from business park operation and management services provided by the Group amounted to RMB13.4 million, representing an increase of 473.5% from the corresponding period of last year, mainly attributable to the continuous development of the business of entrusted operation and management during the Period and the increase in the number of projects and area under operation and management.

(4) Construction, Decoration and Landscaping Income

For the six months ended 30 June 2015, the construction, decoration and landscaping income of the Group amounted to RMB275.9 million, representing an increase of 474.0% from the corresponding period of last year, mainly attributable to the increase in income as a result of the completion of various projects during the Period.

(5) Property Management Services income

The property management services income increased by 46.8% to approximately RMB136.6 million for the six months ended 30 June 2015 from approximately RMB93.1 million in the corresponding period of last year, which was mainly attributable to the increase in the area of residential properties under management, the on-time payment of properties owners, and the increase in the property management fee of office buildings.

Cost of Sales

The cost of sales of the Group for the six months ended 30 June 2015 was RMB1,914.1 million, representing a decrease of 10.5% from the corresponding period of last year, which was mainly attributable to the decrease in sales of properties during the Period, which led to the decrease in the cost of sales as compared to the corresponding period of last year.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 June 2015 was RMB839.7 million, representing a decrease of 22.5% from the corresponding period of 2014. The gross profit margin decreased to 30.5% for the six months ended 30 June 2015 from 33.6% in the corresponding period of 2014, which was a result of relatively lower unit price of the resettlement project for which income was recognized in the Period. Apart from the sales of properties, the gross profit margin of other businesses either remained stable or elevated, among which, the gross profit margin of the lease of business parks increased to 73.1% from 65.8% in the corresponding period of 2014; the gross profit margin of construction, decoration and landscaping increased to 17.8% from 12.4% in the corresponding period of 2014; the gross profit margin of property management increased to 13.0% from 11.4% in the corresponding period of 2014; the gross profit margin of the operation and management of business parks maintained at a level of 78.0%, same as that of the corresponding period of 2014.

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 2015, other income and gains of the Group were RMB23.2 million, representing a decrease of approximately RMB44.5 million from the corresponding period of 2014, which was mainly attributable to the one-off gain on derecognition of Baiyun Hotel Project in the corresponding period of 2014.

Sales and Marketing Costs

The sales and marketing costs of the Group increased by 3.6% to RMB99.0 million for the six months ended 30 June 2015 from RMB95.6 million in the corresponding period of 2014, which was mainly due to the increase in salaries of sales personnel.

Administrative Expenses

The administrative expenses of the Group decreased by 12.2% to RMB172.2 million for the six months ended 30 June 2015 from RMB196.1 million in the corresponding period of 2014, which was mainly attributable to the listing expense arising in the corresponding period of 2014.

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 2015, other expenses of the Group were RMB9.6 million, representing a decrease of RMB32.6 million compared with the corresponding period of 2014, which was mainly due to the decrease in losses of change in fair value of put and call options.

Increase in Fair Value on Investment Properties

The fair value gains on investment properties of the Group decreased by 25.5% to RMB38.4 million for the six months ended 30 June 2015 from RMB51.5 million in the corresponding period of 2014, which was mainly due to the lack of newly commenced investment properties or investment properties under construction being 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 decreased by 24.9% to RMB72.9 million for the six months ended 30 June 2015 from RMB97.1 million in the corresponding period of 2014. The decrease was primarily attributable to the increase of finance costs being transferred to capitalized interests during the Period.

Share of Profits and Losses of Joint Ventures

For the six months ended 30 June 2015, the Group's share of profits of joint ventures was RMB4.8 million, as compared to the losses of RMB20.1 million in the corresponding period of last year, which was mainly attributable to the increase of profits in Dalian Software Park Ascendas Development Company Limited.

Share of Profits and Losses of Associates

Share of profits and losses of associates was primarily contributed by Richcoast Group Limited (“**Richcoast Group**”) and Crown Speed Investments Limited. For the six months ended 30 June 2015, the Group's share of losses of associates was RMB23.8 million, representing a decrease in losses of approximately RMB0.8 million from the corresponding period of 2014, which was mainly attributable to the losses of Dalian Tiandi project which the Group held interest through Richcoast Group.

Income Tax Expenses

The income tax expenses of the Group includes corporate income tax, land appreciation tax and deferred tax. The income tax expenses of the Group decreased by 39.0% to RMB214.9 million for the six months ended 30 June 2015 from RMB352.3 million in the corresponding period of 2014, which was mainly due to the decrease in corporate income tax arising from the decrease in the profit for the Period.

Profit for the Period

As a result of the foregoing, the pre-tax profit of the Group decreased by 27.3% to RMB528.5 million for the six months ended 30 June 2015 from RMB726.8 million in the corresponding period of 2014.

The net profit of the Group decreased by 16.3% to RMB313.6 million for the six months ended 30 June 2015 from RMB374.5 million in the corresponding period of 2014.

The net profit attributable to equity owners decreased by 16.2% to RMB313.8 million for the six months ended 30 June 2015 from RMB374.5 million in the corresponding period of 2014.

The core net profit attributable to equity owners (excluding effects of fair value gains on investment properties and derecognition of a property, net of tax) decreased to RMB284.8 million for the six months ended 30 June 2015 from core net profit of RMB292.5 million in the corresponding period of 2014.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2015, the Group had cash and bank balances (including restricted cash of approximately RMB2,616.7 million) of approximately RMB3,543.7 million (31 December 2014: cash and bank balances of approximately RMB2,799.1 million, including restricted cash of approximately RMB2,059.0 million).

Debts

As at 30 June 2015, the Group had bank and other borrowings of approximately RMB17,440.5 million (31 December 2014: approximately RMB16,251.8 million), of which:

(1) By loan type

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Secured bank loans	12,409,006	11,371,125
Unsecured bank loans	220,000	406,000
Secured other borrowings	3,611,542	3,274,648
Unsecured other borrowings	1,200,000	1,200,000
	<u>17,440,548</u>	<u>16,251,773</u>

(2) *By maturity date*

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Within one year or on demand	9,065,370	5,342,262
In the second year	5,182,480	5,243,786
In the third to fifth years	2,160,298	4,463,975
Beyond five years	1,032,400	1,201,750
	<u>17,440,548</u>	<u>16,251,773</u>

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 155% as at 30 June 2015, which slightly increased as compared to 150% as at 31 December 2014.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 30 June 2015, the Group had cash and bank balances (including restricted cash) of approximately RMB5.0 million and approximately RMB478.1 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 its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 30 June 2015, the Group provided a guarantee of approximately RMB469.7 million to commercial banks in the PRC in respect of bank mortgages granted to the customers of the Group (31 December 2014: approximately RMB598.9 million).

In addition to guarantees the Group provided in respect of the mortgage facilities to its customers, as at 30 June 2015, the Group provided a guarantee in the amount of not exceeding RMB150.0 million (31 December 2014: RMB150.0 million) to the shareholders of Richcoast Group. This guarantee was provided in respect of the payment obligations of Richcoast Group to a joint venture and the joint venture partner in accordance with the Group's shareholding percentage.

As at 30 June 2015, the Group provided guarantees to the extent of RMB154.6 million (31 December 2014: RMB181.6 million) in respect of bank and other loans granted to the associates.

As at 30 June 2015, the Group also provided guarantees to the extent of RMB1,034.5 million (31 December 2014: RMB1,268.0 million) to banks in respect of bank borrowings granted to the joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had 2,825 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 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During the Period, 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.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2015, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2015, 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 six months ended 30 June 2015, 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.

REVIEW OF THE INTERIM RESULTS

The unaudited interim financial information of the Group for the six months ended 30 June 2015 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 2015 has also been reviewed and passed 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 2015 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 2015

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.