

YIDA 亿达

億達中國控股有限公司
Yida China Holdings Limited

(於開曼群島註冊成立的有限公司)
(incorporated in the Cayman Islands with limited liability)

股份代號：3639.HK
Stock Code：3639.HK



2014
INTERIM REPORT
中期報告

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CORPORATE PROFILE

Yida China Holdings Limited (the “Company”) together with its subsidiaries collectively referred to as the “Group”, was established in 1988 with its headquarter in Dalian. It is the largest business park developer and a leading business park operator in the PRC. It is principally engaged in the development and operation of business parks, the development and sale of multi-functional and integrated residential communities, construction, decoration, landscaping and property management services. The Group pays specific attention to first-tier and second-tier cities with growth potential. Its current operations are mainly distributed in Dalian, Wuhan, Shenyang, Beijing and Chengdu.

Since 1998, the Group has led the development of Dalian Software Park, Dalian BEST City Core Area Business Park, Wuhan First City, Yida Information Software Park, Dalian Ascendas IT Park and Dalian Tiandi. It also participated in the development and operation of Wuhan Optical Valley Software Park and Tianjin Binhai Service Outsourcing Industry Park through BOT (Build-Operate-Transfer) arrangements. It also provides operation and management services to Suzhou Hi-tech Software Park and Wuhan First City Phase I. The Group entered into a strategic cooperation agreement with an entity under Shanghai SASAC in November 2013 and a strategic cooperation agreement with the Administrative Committee of Suzhou High-speed Rail New Town in January 2014, which contemplate the development of Shanghai Lingang Innovation Business Park and Suzhou High-speed Rail New Town Technology Park, respectively. With its extensive experience in development and operation of business parks, the Group has established its unique business model, which lays a foundation for achieving the layout and development of the business park business across the country.

The Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 27 June 2014. This listing was highlighted as the Company successfully introduced six cornerstone investors, including China Cinda (HK) Asset Management Co., Limited, Huarong (HK) International Holdings Limited, CIG Trustees Limited – IPO Trust Fund, Doretturn Limited, Panasonic Corporation and Sumitomo Realty & Development Co., Ltd., which evidenced the strong development potential of the Group.

CORPORATE PROFILE (CONTINUED)

With its strong integration ability in urban and industrial planning and design, the Group actively participated in urban planning and design with local governments and has gained trust from the governments. Its outstanding results and management ability in business park operation has attracted the residence of globally leading enterprises and established long-term and stable cooperation relationships with them. Its fully integrated service capabilities, with construction, landscaping, decoration and property management businesses guaranteed the services quality, the properties quality and pricing competitiveness of the Group. In addition, its management team with extensive experience and high recognition of corporate culture provides strong support to the future development of the Group.

Pursuing the corporate spirit of “Pragmatism, Innovation, Self-transcending” and the corporate culture of “Dedication, Responsibility, Specialism, Professionalism”, the Group develops high-quality properties and provides excellent operation and property management services, which have been universally recognized by customers, governments and the society. The Group’s internationally-renowned Dalian Software Park was named as the “National Software Export Base”, the “Gold Award in the United Nations Global Most Livable Community Competition” and the “China Software Independent Innovation Special Contribution Award”. Its residential properties have also won the “Golden Award of United Nations Global Habitat”, the “Golden Award of the National Outstanding Residential Planning Contest”, the “Consumers’ First Choice” and other awards. The Group plans to expand into at least one new city every year in the next five years and is devoted to develop the best software parks and technology parks in China, meanwhile being dedicated to become the best business park operator in China.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Yinhuan (*Chairman*)
Mr. Sun Yinfeng (*Vice Chairman*)
Mr. Sun Yansheng (*Chief Executive Officer*)
Mr. Jiang Xiuwen
Mr. Gao Wei
Mr. Wen Hongyu

Independent Non-executive Directors

Mr. Ip Yuk Chi Eddie
Mr. Yip Wai Ming
Mr. Guo Shaomu

COMPANY SECRETARY

Mr. Law Siu Wo

AUTHORIZED REPRESENTATIVES

Mr. Sun Yansheng
Mr. Law Siu Wo

COMMITTEES

Audit Committee

Mr. Yip Wai Ming (*Chairman*)
Mr. Ip Yuk Chi Eddie
Mr. Guo Shaomu

Remuneration Committee

Mr. Ip Yuk Chi Eddie (*Chairman*)
Mr. Jiang Xiuwen
Mr. Guo Shaomu

Nomination Committee

Mr. Sun Yinhuan (*Chairman*)
Mr. Ip Yuk Chi Eddie
Mr. Yip Wai Ming

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cricket Square
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
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Shops 1712-1716, 17th Floor
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183 Queen's Road East
Wanchai
Hong Kong

AUDITOR

Ernst & Young

CORPORATE INFORMATION (CONTINUED)

LEGAL ADVISORS

As to Hong Kong Law
Sidley Austin

As to Cayman Islands Law
Conyers Dill & Pearman (Cayman) Limited

COMPLIANCE ADVISOR

Quam Capital Limited

PRINCIPAL BANKERS

The Export-Import Bank of China
Agricultural Bank of China Dalian Branch
China Minsheng Bank Dalian Branch

STOCK CODE

3639

COMPANY'S WEBSITE

www.yidachina.com.cn

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present 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 of directors of the Company (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 "Integration and Development of the Industry and the City". As an important means of "Integration and Development of the Industry and 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

CHAIRMAN'S STATEMENT (CONTINUED)

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 in-depth 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.

CHAIRMAN'S STATEMENT (CONTINUED)

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 “Integration and Development of the Industry and the City”.

CHAIRMAN'S STATEMENT (CONTINUED)

APPRECIATION

On behalf of the Board, I hereby express the heartfelt thanks to all shareholders, partners, local governments and customers for their supports to the Group and also thanks to the joint efforts of the Directors, the management team and every staff member. We will continue to create value for our shareholders with the listing of the Company as the new starting point.

Yida China Holdings Limited

Sun Yinhuan

Chairman

Dalian, Liaoning Province, PRC

20 August 2014

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

Business Parks

As at 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 at 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 at 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 at 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Land Reserves

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

Breakdown of the Group's land reserves as at 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 ⁽¹⁾ (sq.m.)	GFA Under Development ⁽¹⁾ (sq.m.)	GFA held for Future Development ⁽¹⁾ (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

Note:

(1) Includes car parks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



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.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(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 the increasing provision of this type of services for projects developed by the Group 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 homeowners during the six months ended 30 June 2014, as well as to 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 on units for end-user demand from Phase V of Fifth County.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 during the period.

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, prototype room 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 incurring of Listing expenses in June 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 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 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 mainly represented by the interests on borrowings that were not capitalized and such costs 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 did not meet the criteria of capitalization as a result of completion of the projects.

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 Development Company Limited.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Share of Profits and Losses of Associated Companies

Share of profits and losses of associated companies was primarily from 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 net profit of 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.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 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 at 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 RMB'000	31 December 2013 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 RMB'000	31 December 2013 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 at 30 June 2014 and approximately 140% as at 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 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.

Pledge of Assets

As at 30 June 2014, the Group had pledged properties under development, investment properties, land held for development for sale and time deposits with a total carrying amount of RMB15,597.3 million (31 December 2013: RMB12,218.7 million) to secure total bank and other borrowings of RMB14,854.4 million (31 December 2013: RMB11,641.7 million) granted to the Group. The Group had also pledged certain equity interests of the subsidiaries of the Company for total borrowings of RMB3,074.7 million (31 December 2013: RMB2,544.8 million).

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 at 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 (31 December 2013: approximately RMB632.2 million).

In addition to guarantees we provided in respect of the mortgage facilities to our customers, as at 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 at 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 at 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.

DISCLOSURE OF INTERESTS

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2014, the interests and short positions of each of the Directors and the chief executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(I) Interest in the Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Mr. Sun Yinhuan	Interest of a controlled corporation	1,611,400,000(L) ⁽²⁾	62.46%
	Interest of a controlled corporation	87,000,000(S) ⁽²⁾	3.37%
Mr. Sun Yinfeng	Interest of a controlled corporation	93,400,000(L) ⁽³⁾	3.62%
Mr. Sun Yansheng	Interest of a controlled corporation	78,800,000(L) ⁽⁴⁾	3.05%
Mr. Jiang Xiuwen	Interest of a controlled corporation	68,600,000(L) ⁽⁵⁾	2.66%
Mr. Wen Hongyu	Interest of a controlled corporation	93,400,000(L) ⁽⁶⁾	3.62%
Mr. Gao Wei	Interest of a controlled corporation	78,800,000(L) ⁽⁷⁾	3.05%

Notes:

- (1) The letter "L" and "S" denote the person's long position and short position in such securities, respectively.
- (2) Mr. Sun Yinhuan beneficially owns the entire issued share capital of Right Won Management Limited. By virtue of the SFO, Mr. Sun Yinhuan is deemed to be interested in the Shares held by Right Won Management Limited.

The short position was in relation to the over-allotment option granted under the International Underwriting Agreement dated 20 June 2014. Such Shares were subsequently returned to Right Won Management Limited with the status changed to long position on 23 July 2014.
- (3) Mr. Sun Yinfeng beneficially owns the entire issued share capital of Grand Create Limited, which in turn owns 42.11% of the issued share capital of Keen Harmony Limited. Keen Harmony Limited owns 3.62% of the issued share capital of the Company. By virtue of the SFO, Mr. Sun Yinfeng is deemed to be interested in the Shares held by Keen Harmony Limited.
- (4) Mr. Sun Yansheng beneficially owns the entire issued share capital of Everest Talent Limited, which in turn owns 37.50% of the issued share capital of Keen Sky Grace Limited. Keen Sky Grace Limited owns 3.05% of the issued share capital of the Company. By virtue of the SFO, Mr. Sun Yansheng is deemed to be interested in the Shares held by Keen Sky Grace Limited.
- (5) Mr. Jiang Xiuwen beneficially owns the entire issued share capital of Grace Excellence Limited, which in turn owns 42.98% of the issued share capital of Keen High Keen Source Limited. Keen High Keen Source Limited owns 2.66% of the issued share capital of the Company. By virtue of the SFO, Mr. Jiang Xiuwen is deemed to be interested in the Shares held by Keen High Keen Source Limited.
- (6) Mr. Wen Hongyu beneficially owns the entire issued share capital of Kind Source Limited, which in turn owns 31.58% of the issued share capital of Keen Harmony Limited. Keen Harmony Limited owns 3.62% of the issued share capital of the Company. By virtue of the SFO, Mr. Wen Hongyu is deemed to be interested in the Shares held by Keen Harmony Limited.
- (7) Mr. Gao Wei beneficially owns the entire issued share capital of Everest Excellence Limited, which in turn owns 25% of the issued share capital of Keen Sky Grace Limited. Keen Sky Grace Limited owns 3.05% of the issued share capital of the Company. By virtue of the SFO, Mr. Gao Wei is deemed to be interested in the Shares held by Keen Sky Grace Limited.

DISCLOSURE OF INTERESTS (CONTINUED)

(II) Long positions in Shares and underlying Shares of the associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares ⁽¹⁾	Percentage of the issued share capital of that associated corporation held
Mr. Sun Yinhan	Right Won Management Limited	Beneficial owner	1(L)	100.00%
Mr. Sun Yinfeng	Keen Harmony Limited	Interest of a controlled corporation	4,000(L) ⁽²⁾	42.10%
Mr. Sun Yansheng	Keen Sky Grace Limited	Interest of a controlled corporation	3,000(L) ⁽³⁾	37.50%
Mr. Jiang Xiuwen	Keen High Keen Source Limited	Interest of a controlled corporation	3,000(L) ⁽⁴⁾	42.98%
Mr. Wen Hongyu	Keen Harmony Limited	Interest of a controlled corporation	3,000(L) ⁽⁵⁾	31.58%
Mr. Gao Wei	Keen Sky Grace Limited	Interest of a controlled corporation	2,000(L) ⁽⁶⁾	25.00%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) These shares are held by Grand Create Limited which is wholly owned by Mr. Sun Yinfeng.
- (3) These shares are held by Everest Talent Limited which is wholly owned by Mr. Sun Yansheng.
- (4) These shares are held by Grace Excellence Limited which is wholly owned by Mr. Jiang Xiuwen.
- (5) These shares are held by Kind Source Limited which is wholly owned by Mr. Wen Hongyu.
- (6) These shares are held by Everest Excellence Limited which is wholly owned by Mr. Gao Wei.

Save as disclosed above, as at 30 June 2014, none of the Directors, chief executives of the Company and/or their respective associated persons had any personal, family, corporate or other interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2014, so far as the Directors are aware, the following persons (other than the Directors and the chief executives of the Company) or institutions have interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept pursuant to section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Right Won	Beneficial owner	1,611,400,000(L)	62.46%
Management Limited ⁽²⁾	Beneficial owner	87,000,000(S)	3.37%

Notes:

- (1) The letter "L" and "S" denote the person's long position and short position in such securities, respectively.
- (2) Right Won Management Limited is beneficially and wholly owned by Mr. Sun Yinhuan. By virtue of the SFO, Mr. Sun Yinhuan is deemed to be interested in the Shares held by Right Won Management Limited.

The short position was in relation to the over-allotment option granted under the International Underwriting Agreement dated 20 June 2014. Such Shares were subsequently returned to Right Won Management Limited with the status changed to long position on 23 July 2014.

Save as disclosed above, as at 30 June 2014, there was no other person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 Listing Rules. Since the date of Listing and up to the date of this interim report, 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 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 interim report.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period from the date of Listing up to the date of this interim report, 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.

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.

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 1 June 2014 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B1 of the CG Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee consists of three members, namely Mr. Jiang Xiuwen, an executive director, Mr. Ip Yuk Chi Eddie and Mr. Guo Shaomu, the independent non-executive Directors. Mr. Ip Yuk Chi Eddie has been appointed as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangement.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

NOMINATION COMMITTEE

The Company has established a nomination committee on 1 June 2014 with written terms of reference in compliance with paragraph A5 of the CG Code as set out in Appendix 14 to the Listing Rules. The Nomination Committee consists of three members, namely Mr. Sun Yinhuan, an executive director, Mr. Ip Yuk Chi Eddie and Mr. Yip Wai Ming, the independent non-executive Directors. Mr. Sun Yinhuan has been appointed as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment and removal of directors of our Company.

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 interim report, no share options have been granted under the share option scheme.

USE OF PROCEEDS FROM GLOBAL OFFERING

On 27 June 2014, the Shares 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 and interim report have also been reviewed by the Audit Committee.

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2014.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



To the board of directors of Yida China Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 60 which comprises the condensed consolidated statement of financial position of Yida China Holdings Limited (the “Company”) and its subsidiaries as at 30 June 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company are responsible for the preparation and presentation of interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION (CONTINUED)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

22/F CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

20 August 2014

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	11	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 expenses	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 PARENT			
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 six months ended 30 June 2014 are disclosed in note 8 to the interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	374,479	153,148
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2,283	6,333
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	376,762	159,481
Attributable to:		
Owners of the parent	376,781	141,477
Non-controlling interests	(19)	18,004
	376,762	159,481

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	11	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	12	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	12	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	13	1,070,217	577,212
Prepayments, deposits and other receivables		4,783,240	4,840,356
Due from related parties	14	—	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
CURRENT LIABILITIES			
Gross amount due to contract customers		515,877	557,676
Receipts in advance		4,673,299	5,125,930
Trade payables	15	2,305,876	2,545,986
Other payables and accruals		984,129	746,813
Derivative financial instruments	17	166,245	164,367
Interest-bearing bank and other borrowings	16	4,460,200	5,148,302
Due to related parties	14	—	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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2014

	Notes	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
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	17	130,180	92,235
Interest-bearing bank and other borrowings	16	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	18	159,173	61
Reserves		8,308,881	6,989,514
Non-controlling interests		8,468,054	6,989,575
		1,407	1,426
Total equity		8,469,461	6,991,001

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Note	Attributable to owners of the parent									Total equity RMB'000
		Issued capital RMB'000	Share premium account RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Share-based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
(Unaudited)											
At 1 January 2014		61	1,101,968	322,105	352,979	81,000	43,064	5,088,398	6,989,575	1,426	6,991,001
Profit for the period		-	-	-	-	-	-	374,479	374,479	-	374,479
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations		-	-	-	-	-	2,302	-	2,302	(19)	2,283
Total comprehensive income/(loss) for the period		-	-	-	-	-	2,302	374,479	376,781	(19)	376,762
Capitalisation issue of shares	18	123,329	(123,329)	-	-	-	-	-	-	-	-
Issuance of new shares	18	35,783	1,103,915	-	-	-	-	-	1,139,698	-	1,139,698
Share issue expenses		-	(38,000)	-	-	-	-	-	(38,000)	-	(38,000)
At 30 June 2014		159,173	2,044,554*	322,105*	352,979*	81,000*	45,366*	5,462,877*	8,468,054	1,407	8,469,461

	Note	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
		Issued capital RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000			
(Unaudited)										
At 1 January 2013			-	264,393	1,534,973	29,115	5,075,488	6,903,969	285,166	7,189,135
Profit for the period			-	-	-	-	135,339	135,339	17,809	153,148
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations			-	-	-	6,138	-	6,138	195	6,333
Total comprehensive income for the period			-	-	-	6,138	135,339	141,477	18,004	159,481
Capital contribution from the then equity owners			-	-	10,000	-	-	10,000	-	10,000
Deemed distribution to the then equity owners			-	-	(158,914)	-	-	(158,914)	-	(158,914)
Transferred from retained profits			-	21,907	-	-	(21,907)	-	-	-
Dividends paid to non-controlling shareholders			-	-	-	-	-	-	(48,600)	(48,600)
Interim dividends	8		-	-	-	-	(756,863)	(756,863)	-	(756,863)
At 30 June 2013			-	286,300	1,386,059	35,253	4,432,057	6,139,669	254,570	6,394,239

* These reserve accounts comprise the combined reserves of RMB8,308,881,000 (31 December 2013: RMB6,989,514,000) in the consolidated statement of financial position as at 30 June 2014.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		726,791	482,339
Adjustments for:			
Depreciation	5	11,868	11,630
Amortisation of intangible assets	5	867	170
Loss on derecognition/disposal of items of property, plant and equipment		62	1,539
Fair value gains on investment properties	11	(51,516)	(208,578)
Fair value loss on derivative financial instruments	5	39,823	14,320
Share of profits and losses of joint ventures		20,121	72,387
Share of profits and losses of associates		24,593	644
Finance costs	6	97,116	152,941
Interest income	4	(6,231)	(2,932)
Dividend income		(669)	(836)
		862,825	523,624
Decrease/(increase) in inventories		3,024	(9,692)
Increase in properties under development		(1,828,413)	(716,992)
Decrease in completed properties held for sale		1,975,261	674,188
Increase in land held for development for sale		—	(657,683)
Decrease/(increase) in prepayments for acquisition of land		47,220	(237,742)
Increase in the gross amount due from contract customers		(8,282)	(62,775)
(Increase)/decrease in trade receivables		(493,005)	65,645
Decrease/(increase) in prepayments, deposits and other receivables		151,074	(407,336)
Decrease in trade payables		(240,110)	(435,968)
Increase in other payables and accruals		189,733	797,325
(Decrease)/increase in receipts in advance		(452,631)	621,007
Decrease in the gross amount due to contract customers		(41,799)	(74,893)
(Decrease)/increase in deferred income		(3,983)	1,433
Cash generated from operations		160,914	80,141
Interest received		6,231	2,932
PRC corporate income tax paid		(175,311)	(191,052)
PRC land appreciation tax paid		(40,369)	(80,648)
Net cash used in operating activities		(48,535)	(188,627)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital contributions to joint ventures		—	(60,000)
(Advance to)/repayment from joint ventures		(14,736)	1,768
(Advance to)/repayment from associates		(1,423)	1,191
Decrease/(increase) in amounts due from related parties		43	(3,421,023)
Purchases of items of property, plant and equipment	10	(9,090)	(34,476)
Purchases of intangible assets		(1,107)	—
Additions to investment properties	11	(39,633)	(118,471)
Increase in prepayments for acquisition of land		—	(42,520)
Decrease/(increase) in restricted cash		388,326	(732,177)
Dividends received		669	836
Receipt of government grants		211,540	—
Net cash from/(used in) investing activities		534,589	(4,404,872)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		1,139,698	—
Share issue expenses		(61,476)	—
Capital contribution from then equity owners		—	10,000
Interest paid		(875,850)	(523,845)
Dividends paid		—	(756,863)
(Decrease)/increase in amounts due to related parties		(779,348)	3,712,357
New bank and other borrowings		3,598,901	7,069,561
Repayment of bank and other borrowings		(3,681,184)	(4,395,923)
Net cash (used in)/from financing activities		(659,259)	5,115,287
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		2,116,401	531,499
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,943,196	1,053,287
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents in the statement of financial position		1,943,196	1,025,067
Cash and cash equivalents attributable to a disposal group		—	28,220
Cash and cash equivalents in the statement of cash flows		1,943,196	1,053,287

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’s 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, 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)").

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 Company and its subsidiaries (collectively referred to as 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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

2. BASIS OF PREPARATION (Continued)

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

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> ¹
HKFRS 9, HKAS 7 and HKAS 39 Amendments	<i>Hedge Accounting</i> and Amendments to HKFRS 9, HKAS 7 and HKAS 39 ¹
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits</i> — <i>Defined Benefit Plans: Employee Contributions</i> ²
HKFRS 14	Regulatory Deferral Accounts ³
Annual Improvement 2010–2012 Cycle	Amendments to a number of HKFRSs issued in January 2014 ²
Annual Improvement 2011–2013 Cycle	Amendments to a number of HKFRSs issued in January 2014 ²

¹ No mandatory effective date but available for adoption

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 January 2016

2.1 IMPACT OF ISSUED BUT NOT EFFECTIVE HKFRSs (Continued)

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 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

3. OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2014

(Unaudited)	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	2,934,383	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
<i>Reconciliation:</i>							
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
Income tax expenses							(352,312)
Profit for the period							374,479

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

3. OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2013

(Unaudited)	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	1,315,776	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
<i>Reconciliation:</i>							
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
Income tax expenses							(329,191)
Profit for the period							153,148

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

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 RMB'000 (Unaudited)	2013 RMB'000 (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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (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 RMB'000 (Unaudited)	2013 RMB'000 (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 expenses 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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

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 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).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

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 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 18 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 18 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 (six months ended 30 June 2013: RMB34,476,000).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

11. INVESTMENT PROPERTIES

Group

	Completed RMB'000	Under construction RMB'000	Total RMB'000
(Unaudited)			
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 gains from fair value adjustments	(30,163)	81,679	51,516
At 30 June 2014	8,116,870	2,811,208	10,928,078

	Completed RMB'000	Under construction RMB'000	Total RMB'000
(Unaudited)			
At 1 January 2013	7,276,590	2,851,656	10,128,246
Transfer	489,603	(489,603)	—
Additions	31,013	87,458	118,471
Transfer to assets held in disposal group	(35,673)	—	(35,673)
Net gains from fair value adjustments	98,047	110,531	208,578
At 30 June 2013	7,859,580	2,560,042	10,419,622

At 30 June 2014, certain of the Group's investment properties of RMB8,805,713,000 (31 December 2013: RMB5,833,287,000) were pledged to banks to secure the loans granted to the Group (note 16).

At 30 June 2014, certain of the Group's investment properties of nil (31 December 2013: RMB3,687,000,000) were pledged to banks to secure the bank and other loans granted to the companies controlled by the Controlling Shareholder.

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 21(a).

The Group's completed investment properties and investment properties under construction were revalued on 30 June 2014 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 2014, 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 as at 31 December 2013 were certain investment properties under construction measured at fair value in the aggregate carrying amount of RMB1,009,000,000, which were subject to restrictions on sale, lease and transfer and in connection with which the Group has applied to the local government to remove the restrictions on lease. In March 2014, the Group obtained, without additional land premium paid, the approval of the local government that allows the Group to lease the properties to tenants that are engaged in software research and development and outsourcing services.

Unrealised losses included in the consolidated statement of profit or loss for completed investment properties for the six months ended 30 June 2014 were RMB30,163,000 (unrealised gains for the six months ended 30 June 2013: RMB98,047,000).

Unrealised gains included in the consolidated statement of profit or loss for investment properties under construction for the six months ended 30 June 2014 were RMB81,679,000 (six months ended 30 June 2013: RMB110,531,000).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

11. INVESTMENT PROPERTIES (Continued)

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			30 June 2014	31 December 2013
Completed	Income approach (refer above)			
Retail		Estimated yearly rental value per square metre (RMB)	396–1,986	396–1,930
Office		Estimated yearly rental value per square metre (RMB)	563–848	566–847
Car park		Estimated yearly rental value per lot (RMB)	3,564–4,104	3,564–4,103
Retail		Capitalisation rate	5%–6%	5%–6%
Office		Capitalisation rate	4.5%–5%	4.5%–5%
Car park		Capitalisation rate	3.5%–4%	3.5%–4%
Under construction	Residual approach (refer above)			
Retail		Estimated yearly rental value per square metre (RMB)	659	666
Office		Estimated yearly rental value per square metre (RMB)	666–720	659–718
Car park		Estimated yearly rental value per lot (RMB)	3,971–4,104	3,972–4,104
Retail		Capitalisation rate	5%	5%
Office		Capitalisation rate	5%	5%
Car park		Capitalisation rate	3.5%	3.5%
Retail, office and car park		Development profit	3%–7%	3%–8%

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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

12. LAND HELD FOR DEVELOPMENT FOR SALE

Group

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Carrying amount at end of period/year	862,412	1,210,589
Current portion	(269,551)	(617,728)
Non-current portion	592,861	592,861

As at 30 June 2014, certain of the Group's land held for development for sale of approximately RMB822,442,000 (31 December 2013: RMB577,779,000), were pledged to banks to secure the bank and other loans granted to the Group (note 16).

As at 30 June 2014, certain of the Group's land held for development for sale of nil (31 December 2013: RMB379,300,000), were pledged to a bank to secure the bank loan granted to a company controlled by the Controlling Shareholder.

Included in the Group's land held for development for sale are certain parcels of land for property development projects in the aggregate amounts of RMB592,861,000 as at 30 June 2014 (31 December 2013: RMB957,057,000), in connection with which the Group has obtained from the local land bureau extension of deadlines for commencement of development as stipulated in the relevant land grant contracts.

13. 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:

Group

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

13. TRADE RECEIVABLES (Continued)

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

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.

14. DUE FROM/TO RELATED PARTIES

The amounts due from and due to related parties were related to the amounts due from and due to companies controlled by the Controlling Shareholder. The balances are non-trade in nature, unsecured, interest-free and repayable on demand, except that the balances due to related parties as at 31 December 2013 in the amount of RMB3,052,227,000 bore interest at 4.8% to 9.8% per annum. All the amounts due from and due to related parties were fully settled or repaid before the listing of the Company in June 2014.

15. 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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

15. TRADE PAYABLES (Continued)

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.

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

	30 June 2014 (Unaudited)			31 December 2013 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	6.00-13.50	2014-2015	3,155,500	6.50-13.50	2014	2,674,002
Bank loans — unsecured	7.10-8.70	2014-2015	350,000	7.10-8.70	2014	585,000
Other loans — secured	6.40-15.00	2014-2015	954,700	6.40-15.00	2014	1,889,300
			4,460,200			5,148,302
Non-current						
Bank loans — secured	6.15-14.00	2015-2022	7,799,892	6.77-9.83	2015-2022	5,957,045
Other loans — secured	6.40-15.00	2015-2022	2,944,328	6.40-15.00	2015-2022	1,121,316
Other loans — unsecured	11.80	2016	1,200,000	11.80	2015	1,200,000
			11,944,220			8,278,361
			16,404,420			13,426,663

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

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

Group (Continued)

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	3,505,500	3,259,002
In the second year	3,435,390	2,704,508
In the third to fifth years, inclusive	3,148,402	2,575,622
Beyond five years	1,216,100	676,915
	11,305,392	9,216,047
Other loans repayable:		
Within one year or on demand	954,700	1,889,300
In the second year	3,044,328	1,721,316
In the third to fifth years, inclusive	1,060,000	560,000
Beyond five years	40,000	40,000
	5,099,028	4,210,616
	16,404,420	13,426,663

- (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 2014 of approximately RMB5,142,614,000 (31 December 2013: RMB5,032,137,000);
 - (ii) pledges of the Group's investment properties with an aggregate carrying value at 30 June 2014 of approximately RMB8,805,713,000 (31 December 2013: RMB5,833,287,000);
 - (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 30 June 2014 of approximately RMB822,442,000 (31 December 2013: RMB577,779,000);
 - (iv) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB11,197,490,000 as at 30 June 2014 (31 December 2013: RMB6,964,600,000);

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

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

- (a) Certain of the Group's bank and other loans are secured or guaranteed by (Continued):
- (v) corporate guarantees executed by companies controlled by the Controlling Shareholder to the extent of nil as at 30 June 2014 (31 December 2013: RMB5,970,622,000);
 - (vi) personal guarantees executed by the director, Mr. Sun Yinhuan, to the extent of nil as at 30 June 2014 (31 December 2013: RMB2,824,800,000);
 - (vii) pledge of certain equity interests of the subsidiaries of the Company as at the end of the reporting period; and
 - (viii) pledges of certain of the Group's time deposits with an aggregate carrying value at of approximately RMB826,494,000 as at 30 June 2014 (31 December 2013: RMB775,538,000).
- (b) Other than certain other borrowings with a carrying amount of RMB429,187,000 (31 December 2013: RMB475,816,000) denominated in United States dollars as at 30 June 2014, all bank and other borrowings of the Group are denominated in RMB as at 30 June 2014.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Group

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Liabilities		
Current:		
Put options	166,245	164,367
Non-current:		
Call and put options, net	130,180	92,235
	296,425	256,602

In April 2010 and November 2011, the Group granted a total of four put options to certain joint venture partners to sell their interests in certain joint ventures to the Group, which can be exercised at any time after the expiry of the first 54 months after the date of initial investments or after the pre-sale of a certain percentage of saleable construction area and a certain percentage of saleable construction area is delivered, whichever is earlier, at the option price determined based on the adjusted net asset value of the joint ventures.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

17. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

In December 2013, a supplemental agreement was signed between certain subsidiaries of the Group and the joint venture partners and two of the put options were modified. Besides, a new put option was granted by the Group to the joint venture partners and, after an agreed amount has been paid by the Group, a new call option will be granted by the joint venture partners to the Group which can be exercised at any time within the first 54 months after the date of initial investments.

The new call option and put options are correlated and offset against each other and the net balance is recorded as derivative liabilities in the consolidated statement of financial position and carried at fair value with reference to a valuation performed by an independent professional valuer using the Binomial Model.

Description of valuation techniques used and key inputs to valuation on put options:

Valuation technique	Significant unobservable inputs	Range/weighted average	
		30 June 2014 (Unaudited)	31 December 2013 (Audited)
Binomial model	Dividend yield	0%	0%
	Net asset value volatility	22.07%–22.68%	22.1%–23.0%
	Option life (Year(s))	1.0–2.5	1.5–3.0
	Risk-free interest rate	3.34%–3.66%	4.17%–4.30%
	Stock volatility of comparable companies	28.99%–31.07%	30.82%–34.00%

Generally, a change in the assumption made for the net asset value volatility is accompanied by a directionally similar change in the risk free-interest rate and an opposite change in the dividend yield, the option life and stock volatility.

The following table demonstrates the sensitivity of the Group's profit before tax at the end of the six months ended 30 June 2014 and 2013 to a reasonably possible change in combined net effect of the dividend yield, net asset value volatility, risk-free interest rate and stock volatility of comparable companies (collectively the "Combined factors").

	Increase/ (decrease) in basis points	Combined net effect on profit before tax RMB'000
30 June 2014 (Unaudited)		
Combined factors	100	(4,039)
Combined factors	(100)	6,171
30 June 2013 (Unaudited)		
Combined factors	100	(764)
Combined factors	(100)	10,410

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

18. 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 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
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 RMB'000 (Unaudited)
Issued and fully paid:			
As at 1 July 2013		1	—
Increase in issued share capital on 27 November 2013	(b)	9,999	61
As at 31 December 2013		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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

18. ISSUED CAPITAL (Continued)

Notes (Continued):

- (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).

19. 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.

19. FINANCIAL GUARANTEES (Continued)

- (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.

20. PLEDGE OF ASSETS

- (a) Details of the Group’s bank and other loans which are secured by the assets of the Group, are included in note 16 to the interim financial information.
- (b) Details of the Group’s assets which are pledged to secure the bank and other loans of the companies controlled by the Controlling Shareholder are included in notes 11 and 12 to the interim financial information.
- (c) As at 31 December 2013, the equity interests of a subsidiary of the Company with a net asset value of RMB1,597 million were pledged for a loan of a company controlled by the Controlling Shareholder. The pledge of equity interest was released during the current period.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

21. 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 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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

22. COMMITMENTS

In addition to the operating lease commitments detailed in note 21(b) above, the Group had the following capital commitments at the end of the reporting period:

Group

	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

23. MAJOR NON-CASH TRANSACTION

During the six months ended 30 June 2014, the Group entered into supplemental agreements with certain banks and Yida Group to change the borrowing entity under certain existing financing arrangements in an aggregate amount of RMB3,060 million (six months ended 30 June 2013: Nil) from Yida Group to entities within the Group.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2014

24. 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	—

24. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

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 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Short term employee benefits	2,115	978
Post-employment benefits	78	45
	2,193	1,023

NOTES TO INTERIM FINANCIAL INFORMATION

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24. RELATED PARTY TRANSACTIONS (Continued)

- (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.

25. FAIR VALUE AND FAIR VALUE HIERARCHY

At 30 June 2014 (Unaudited)

	Carrying amounts RMB'000	Fair values RMB'000
Financial assets		
Loans to joint ventures	118,766	118,766
Loans to associates	75,307	75,307
	194,073	194,073
Financial liabilities		
Derivative financial instruments (note 17)	296,425	296,425
Interest-bearing bank and other borrowings (note 16)	16,404,420	16,404,420
	16,700,845	16,700,845

NOTES TO INTERIM FINANCIAL INFORMATION

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25. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

At 31 December 2013 (Audited)

	Carrying amounts RMB'000	Fair values RMB'000
Financial assets		
Loans to joint ventures	104,030	104,030
Loans to associates	73,884	73,884
	177,914	177,914
Financial liabilities		
Derivative financial instruments (note 17)	256,602	256,602
Interest-bearing bank and other borrowings (note 16)	13,426,663	13,426,663
	13,683,265	13,683,265

Fair value hierarchy as at 30 June 2014 (Unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 11)	—	—	10,981,078	10,981,078
Assets measured at amortised cost:				
Loans to joint ventures	—	—	118,766	118,766
Loans to associates	—	—	75,307	75,307
	—	—	194,073	194,073
Liabilities measured at fair value:				
Derivative financial instruments (note 17)	—	—	296,425	296,425
Liabilities measured at amortised cost:				
Interest-bearing bank and other borrowings (note 16)	—	—	16,404,420	16,404,420

NOTES TO INTERIM FINANCIAL INFORMATION

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25. FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy as at 31 December 2013 (Audited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 11)	—	—	10,796,582	10,796,582
Assets measured at amortised cost:				
Loans to joint ventures	—	—	104,030	104,030
Loans to associates	—	—	73,884	73,884
	—	—	177,914	177,914
Liabilities measured at fair value:				
Derivative financial instruments (note 17)	—	—	256,602	256,602
Liabilities measured at amortised cost:				
Interest-bearing bank and other borrowings (note 16)	—	—	13,426,663	13,426,663

The fair values of the non-current portion of loans to joint ventures and associates and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities. The Group assessed the credit risks as at the end of the reporting period of loans to joint ventures and associates to be insignificant. The Group's own non-performance risk for interest bearing bank and other borrowings as at the end of each of the reporting period was assessed to be insignificant.

The details of valuation technique and the inputs used in the fair value measurement of investment properties and derivative financial instruments have been disclosed in note 11 and note 17 to the interim financial information, respectively.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

26. EVENTS 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).

27. 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.

YIDA 亿达

