



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER ENDED 31 MARCH 2011 FINANCIAL STATEMENTS ANNOUNCEMENT

### TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
1(a)	Unaudited Group Income Statements	2-4
1(b)(i)	Statements of Financial Position	5-6
1(b)(ii)	Aggregate Amount of Group's Borrowings and Debt Securities	7
1(c)	Unaudited Consolidated Statements of Cash Flows	8-9
1(d)	Unaudited Statements of Comprehensive Income	10
1(e)(i)	Unaudited Statements of Changes in Equity	11-13
1(e)(ii)(iii)(iv)	Details of Any Changes in Company's Issued Share Capital	14-16
2&3	Audit Statement	16
4&5	Changes in Accounting Policies	16-17
6	Earnings per Share	17
7	Net Asset Value per Share	18
8	Review of Performance	18-20
9	Variance from Previous Forecast or Prospect Statement	20
10	Outlook and Prospects	20-21
11&12	Dividend	21-22
13	Confirmation of the Board of Directors	22



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 AND Q4), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Unaudited Group Income Statements for the Period Ended 31 March 2011

	1Q 2011	1Q 2010	% Change
	RMB'000	RMB'000	+ / (-)
Revenue	2,932,974	833,202	252
Cost of sales	(1,989,374)	(356,823)	458
Gross profit	943,600	476,379	98
Other operating income	48,658	13,520	260
Selling expenses	(35,916)	(27,894)	29
Administrative expenses	(108,269)	(91,965)	18
Other operating expenses	(1,268)	(19,468)	(93)
Finance cost	(62,106)	(10,004)	521
Share of loss of jointly controlled entities	(498)	(118)	322
Profit before income tax	784,201	340,450	130
Income tax	(361,553)	(237,931)	52
Profit for the period	422,648	102,519	312
Profit attributable to:			
Equity holders of the Company	267,882	90,312	197
Non-controlling interests	154,766	12,207	1168
	422,648	102,519	312



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Profit before income tax was arrived at after charging/(crediting) the following:

	<b>1Q 2011</b>	<b>1Q 2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Depreciation expense	6,899	5,017
Fair value (gain) loss on held-for-trading investment	(94)	594
Finance cost	62,106	10,004
Interest income	(11,267)	(7,245)
Net loss (gain) on disposal of property, plant and equipment	35	(81)
Net loss (gain) on disposal of investment properties	223	(82)
Net foreign exchange (gain) loss	(34,843)	4,340

## **Revenue and cost of sales**

The Group recorded a commendable revenue growth of 252.0% to RMB2.933 billion in 1Q 2011, net of business tax, from RMB833 million in 1Q 2010. The stellar performance was attributable to a higher gross floor area ("GFA") delivered to customers in 1Q 2011 as compared to that of 1Q 2010 despite a lower average selling price ("ASP") per square metre ("sqm") in 1Q 2011 owing to the change in composition of product mix.

In line with the increase in GFA delivered, cost of sales in 1Q 2011, which mainly included land, construction and capitalised borrowing costs, increased to RMB1.989 billion in 1Q 2011 from RMB357 million in 1Q 2010.

The Group derived substantially all its revenue from the sale of residential properties while a fraction came from the rental of investment properties, provision of property management services and other ancillary services.

## **Other operating income**

Other operating income, which mainly included interest income and net foreign exchange gain, increased by RMB35 million to RMB49 million in 1Q 2011 over the same period last year. This increase was primarily due to a net foreign exchange gain arising from a depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## **Selling expenses**

Selling expenses, which mainly included staff cost, advertising and promotion expenses, increased by RMB8 million to RMB36 million in 1Q 2011 as compared to 1Q 2010 primarily due to an increase in marketing expenses and a larger number of marketing workforce as well as the setting up of additional sales locations.

## **Administrative expenses**

Administrative expenses, which mainly included staff cost, entertainment, legal and professional fees, other tax, rental and depreciation, grew by RMB16 million to RMB108 million in 1Q 2011 as compared to corresponding period in 2010 primarily attributable to the increased staff cost to support the continued growth of the business.

## **Other operating expenses**

Other operating expenses decreased by RMB18 million to RMB1 million in 1Q 2011 over the respective period in 2010. The higher expenses in 1Q 2010 were due to the loss on early redemption of convertible notes due 2012.

## **Finance cost**

Finance cost, net of capitalised interest, increased by RMB52 million to RMB62 million in 1Q 2011 over the same period in 2010. The increase was principally due to increase in the interest expense attributable to the issuance of US\$300 million 9.5% senior notes due 2017 in 2Q 2010 and the increase in bank loans, and was charged to the finance cost in the income statements, for the period when the funds have not been used to finance property development projects. Together with the interest expense incurred on the Group's completed projects, interest expense in 1Q 2011 grew as compared with 1Q 2010. In accordance with the Group's accounting policy, the finance cost used to finance the development of the Group's properties, was capitalised. Hence, the finance cost recorded in the income statements for a given period may not be reflective of the Group's actual level of borrowings.

## **Income tax**

Income tax, which included statutory enterprise income tax, LAT and dividend withholding tax, recorded an increase of RMB124 million to RMB362 million in 1Q 2011 as compared with 1Q 2010 primarily on account of higher enterprise income tax. As revenue and profit before income tax increased, enterprise income tax in 1Q 2011 increased over the corresponding period in 2010.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

## Statements of Financial Position as at 31 March 2011

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.03.2011</b>	<b>31.12.2010</b>	<b>31.03.2011</b>	<b>31.12.2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b><u>ASSETS</u></b>				
<b>Non-current assets</b>				
Property, plant and equipment	268,927	273,828	-	-
Investment properties	5,692,341	5,698,645	-	-
Properties for development	16,350,673	15,973,484	-	-
Investments in subsidiaries	-	-	2,657,655	2,618,181
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	194,149	194,647	-	-
Available-for-sale investment	49,348	49,348	-	-
Intangible asset	613	613	-	-
Deferred tax assets	132,746	137,652	-	-
Total non-current assets	22,688,797	22,328,217	2,657,655	2,618,181
<b>Current assets</b>				
Inventories	5,856	2,892	-	-
Completed properties for sale	841,452	875,702	-	-
Properties under development for sale	13,813,354	14,163,933	-	-
Trade receivables	22,911	15,857	-	-
Other receivables and deposits	641,365	688,910	1,956	2,235
Non-trade amounts due from:				
Subsidiaries	-	-	10,929,891	10,833,322
Associate	87	86	-	-
Jointly controlled entities	28	-	-	-
Non-controlling shareholders of subsidiaries	910,756	908,192	-	-
Other related party	505	510	-	-
Held-for-trading investment	9,380	9,286	-	-
Pledged bank deposits	4,904	5,257	-	-
Cash and bank balances	8,834,164	5,814,453	2,595,686	11,002
Total current assets	25,084,762	22,485,078	13,527,533	10,846,559
<b>Total assets</b>	<b>47,773,559</b>	<b>44,813,295</b>	<b>16,185,188</b>	<b>13,464,740</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	GROUP		COMPANY	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and reserves</b>				
Share capital	7,236,606	7,231,236	7,236,606	7,231,236
Reserves	6,100,274	5,856,059	40,225	(56,694)
Equity attributable to equity holders of the Company	13,336,880	13,087,295	7,276,831	7,174,542
Non-controlling interests	6,889,385	6,743,089	-	-
Total capital and reserves	20,226,265	19,830,384	7,276,831	7,174,542
<b>Non-current liabilities</b>				
Bank loans – due after one year	4,859,897	6,617,160	-	-
Convertible notes	1,679,148	1,772,433	1,679,148	1,772,433
Senior notes	4,494,699	1,939,500	4,494,699	1,939,500
Deferred tax liabilities	833,803	797,490	-	-
Total non-current liabilities	11,867,547	11,126,583	6,173,847	3,711,933
<b>Current liabilities</b>				
Bank loans – due within one year	4,735,496	1,942,853	-	-
Convertible notes	139,621	-	139,621	-
Trade payables	3,086,617	3,092,504	-	-
Other payables	4,763,511	5,910,526	120,357	87,750
Non-trade amounts due to:				
Subsidiary	-	-	2,433,565	2,458,226
Directors	41,146	32,470	40,967	32,289
Non-controlling shareholders of subsidiaries	274,690	274,458	-	-
Income tax payable	2,638,666	2,603,517	-	-
Total current liabilities	15,679,747	13,856,328	2,734,510	2,578,265
<b>Total equity and liabilities</b>	<b>47,773,559</b>	<b>44,813,295</b>	<b>16,185,188</b>	<b>13,464,740</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## 1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	GROUP	
	As at 31.03.2011	As at 31.12.2010
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,762,000	1,305,500
Unsecured	3,361,785	886,021
Sub-total 1	5,123,785	2,191,521
Amount repayable after one year:-		
Secured	3,866,897	3,756,097
Unsecured	7,154,711	6,561,041
Sub-total 2	11,021,608	10,317,138
Total debt	16,145,393	12,508,659

### Details of any collateral

Secured borrowings are generally secured by the borrowing companies' construction-in-progress, investment properties, properties for development, properties under development for sale and completed properties for sale.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

## Unaudited Consolidated Statements of Cash Flows for the Period Ended 31 March 2011

	1Q 2011	1Q 2010
	RMB'000	RMB'000
<b>Operating activities</b>		
Profit before income tax	784,201	340,450
Adjustments for:		
Depreciation expense	6,899	5,017
Fair value (gain) loss on held-for-trading investment	(94)	594
Finance cost	62,106	10,004
Interest income	(11,267)	(7,245)
Loss on redemption of convertible notes	-	17,949
Net loss (gain) on disposal of property, plant and equipment	35	(81)
Net loss (gain) on disposal of investment properties	223	(82)
Share of loss of jointly controlled entities	498	118
Operating cash flows before movements in working capital	842,601	366,724
Properties for development	(754,233)	(2,089,565)
Inventories	(2,964)	(368)
Completed properties for sale	34,250	289,007
Properties under development for sale	903,568	(630,727)
Trade and other receivables and deposits	45,993	46,988
Trade and other payables	(1,180,133)	999,943
Cash used in operations	(110,918)	(1,017,998)
Interest paid	(152,212)	(302,260)
Income tax paid	(285,191)	(117,691)
Net cash used in operating activities	(548,321)	(1,437,949)





# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	1Q 2011 RMB'000	1Q 2010 RMB'000
<b>Investing activities</b>		
Interest received	9,977	5,182
Decrease (increase) in pledged bank deposits	353	(2,314)
Proceeds on disposal of property, plant and equipment	5,062	151
Proceeds on disposal of investment properties	6,081	2,945
Purchase of property, plant and equipment	(7,859)	(5,220)
Payment for investment properties	-	(84,233)
Advance to jointly controlled entities	(28)	-
Advance to non-controlling shareholders of subsidiaries	(1,380)	(363,988)
Net cash from (used in) investing activities	12,206	(447,477)
<b>Financing activities</b>		
Dividend paid to a non-controlling shareholder of a subsidiary	(8,470)	-
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme	3,847	444
Net proceeds on issue of senior notes	2,580,497	-
Proceeds from bank loans	1,468,800	3,057,884
Repayment of bank loans	(440,500)	(659,136)
Redemption of convertible notes	-	(1,512,745)
Advance from directors	8,191	6,373
Repayment to a shareholder	-	(243)
Advance from (repayment to) non-controlling shareholders of subsidiaries	60	(80,598)
Cash injection from non-controlling shareholders of subsidiaries	-	819,897
Net cash from financing activities	3,612,425	1,631,876
Net increase (decrease) in cash and cash equivalents	3,076,310	(253,550)
Cash and cash equivalents at beginning of period	5,814,453	6,552,697
Effect of exchange rate changes on the balance of cash held in foreign currencies	(56,599)	51,287
<b>Cash and cash equivalents at end of period</b>	<b>8,834,164</b>	<b>6,350,434</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(d) A statement of comprehensive income (for the issuer and Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

## Unaudited Statements of Comprehensive Income for the Period Ended 31 March 2011

	GROUP		COMPANY	
	1Q 2011	1Q 2010	1Q 2011	1Q 2010
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit (loss) for the period</b>	422,648	102,519	(9,688)	(81,917)
<b>Other comprehensive (expense) income:</b>				
Currency translation difference	(22,144)	(22,860)	108,130	(697)
<b>Other comprehensive (expense) income for the period</b>	(22,144)	(22,860)	108,130	(697)
<b>Total comprehensive income (expense) for the period</b>	400,504	79,659	98,442	(82,614)
<b>Total comprehensive income (expense) attributable to:</b>				
Equity holders of the Company	245,738	71,862	98,442	(82,614)
Non-controlling interests	154,766	7,797	-	-
	400,504	79,659	98,442	(82,614)



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

1(e)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2011

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2011</b>	7,231,236	(547,905)	416,737	263,315	(1,834,019)	(336,747)	7,894,678	13,087,295	6,743,089	19,830,384
Total comprehensive income for the period	-	(22,144)	-	-	-	-	267,882	245,738	154,766	400,504
Issuance of shares under Pre-IPO Share Option Scheme	5,370	-	(1,523)	-	-	-	-	3,847	-	3,847
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(8,470)	(8,470)
<b>Balance at 31 March 2011</b>	<b>7,236,606</b>	<b>(570,049)</b>	<b>415,214</b>	<b>263,315</b>	<b>(1,834,019)</b>	<b>(336,747)</b>	<b>8,162,560</b>	<b>13,336,880</b>	<b>6,889,385</b>	<b>20,226,265</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2010

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non- controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2010</b>	7,226,578	(463,030)	526,958	451,366	(1,834,019)	(336,747)	5,916,310	11,487,416	3,916,719	15,404,135
Total comprehensive income for the period	-	(18,450)	-	-	-	-	90,312	71,862	7,797	79,659
Issuance of shares under Pre-IPO Share										
Option Scheme	620	-	(176)	-	-	-	-	444	-	444
Redemption of convertible notes	-	-	(108,901)	-	-	-	-	(108,901)	-	(108,901)
Recovery of non-controlling shareholder's										
share of reserves	-	-	-	-	-	-	-	-	50,909	50,909
Capital injection by non-controlling										
shareholders	-	-	-	-	-	-	-	-	819,897	819,897
Appropriations	-	-	-	(221,409)	-	-	221,409	-	-	-
<b>Balance at 31 March 2010</b>	<b>7,227,198</b>	<b>(481,480)</b>	<b>417,881</b>	<b>229,957</b>	<b>(1,834,019)</b>	<b>(336,747)</b>	<b>6,228,031</b>	<b>11,450,821</b>	<b>4,795,322</b>	<b>16,246,143</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2011

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2011</b>	7,231,236	163,457	416,737	(636,888)	7,174,542
Total comprehensive income for the period	-	108,130	-	(9,688)	98,442
Issuance of shares under Pre-IPO Share Option Scheme	5,370	-	(1,523)	-	3,847
<b>Balance at 31 March 2011</b>	<u>7,236,606</u>	<u>271,587</u>	<u>415,214</u>	<u>(646,576)</u>	<u>7,276,831</u>

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2010

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2010</b>	7,226,578	(190,451)	526,958	(249,699)	7,313,386
Total comprehensive expense for the period	-	(697)	-	(81,917)	(82,614)
Issuance of shares under Pre-IPO Share Option Scheme	620	-	(176)	-	444
Redemption of convertible notes	-	-	(108,901)	-	(108,901)
<b>Balance at 31 March 2010</b>	<u>7,227,198</u>	<u>(191,148)</u>	<u>417,881</u>	<u>(331,616)</u>	<u>7,122,315</u>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**1(e)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share-buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

## Share Capital

As at 31 March 2011, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.237 billion (31 December 2010: RMB7.231 billion). Movements in the Company's issued ordinary shares during the financial period were as follows:

	Number of ordinary shares	
	'000	RMB'000
As at 1 January 2011	1,944,164	7,231,236
Issuance of shares under Pre-IPO Share Option Scheme	820	5,370
As at 31 March 2011	<u>1,944,984</u>	<u>7,236,606</u>

## Share Options

The details of options to take up the unissued ordinary shares in the capital of the Company under the Company's Pre-IPO Share Option Scheme as at 31 March 2011 were as follows:

Date of grant of options	Exercise price per share (S\$)	No. of option shares outstanding as at 01.01.2011	No. of option shares lapsed	No. of option shares exercised	No. of option shares outstanding as at 31.03.2011
21.06.2006	0.92	4,572,000	Nil	820,000	3,752,000



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Convertible Notes Due 2012

The Company had in February 2007 issued S\$477 million convertible notes due 2012 ("Notes 2012" and each, a "Note 2012") at a conversion price of S\$2.7531 per share. With effect from 1 June 2007, the conversion price was adjusted from S\$2.7531 to S\$2.71 per share and with effect from 5 June 2009, from S\$2.71 to S\$2.65 per share. With effect from 1 June 2010, the conversion price was further adjusted from S\$2.65 to S\$2.62 per share.

In February 2010, the holders of S\$315 million outstanding Notes 2012 exercised their redemption option. As of 31 March 2011, RMB122 million (equivalent to approximately S\$24 million) Notes 2012 remained outstanding for conversion into ordinary shares. No Note 2012 was converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.62 per share (31 March 2010: S\$2.65) and assuming the Notes 2012 are fully converted, the number of new ordinary shares to be issued would be approximately 9,064,885 shares as at 31 March 2011 (31 March 2010: 8,962,264 shares).

## Convertible Notes Due 2014

The Company had in July 2009 issued S\$375 million convertible notes due 2014 ("Notes 2014" and each, a "Note 2014") at a conversion price of S\$2.6208 per share. With effect from 1 June 2010, the conversion price was adjusted from S\$2.6208 to S\$2.59 per share.

As of 31 March 2011, RMB1.934 billion (equivalent to S\$375 million) Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 was converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.59 per share (31 March 2010: S\$ 2.6208) and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 144,787,644 shares as at 31 March 2011 (31 March 2010: 143,086,080 shares).

## Treasury Shares

The Company did not hold any treasury shares as at 31 March 2011 and 31 March 2010.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to Note 1(e)(ii).

**1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures for the first quarter ended 31 March 2011 have neither been audited nor reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to those in the audited financial statements for the year ended 31 December 2010, except as disclosed in Note 5 below.





# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**5. If there are any changes in the accounting policies and methods of computations, including any required by an accounting standard, what has changed, as well as the reasons for, the effect of, the change**

Since 1 January 2011, the Group has adopted the relevant revised Singapore Financial Reporting Standards ("FRSs") that are effective for the annual financial periods beginning on or after 1 January 2011.

The following are the revised FRSs that are relevant to the Group and the Company:

## Improvements to FRSs (issued in October 2010)

The adoption of improvements to FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial period.

## Revised FRS 24 - Related Party Disclosures

Revised FRS 24 modifies the definition of a related party. The Group and the Company do not expect any impact on their financial positions or performances. However, disclosures regarding related party transactions and balances may affect the Group's and the Company's financial statements for the year ending 31 December 2011.

**6. Earnings per ordinary share (EPS) of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, based on profit after tax and non-controlling interests attributable to the equity holders of the Company after deducting any provision for preference dividends.**

	<b>GROUP</b>	
	<b>1Q 2011</b>	<b>1Q 2010</b>
	(Unaudited)	(Unaudited)
<b>EPS based on Group profit attributable to equity holders of the Company:</b>		
<b>(i) On the weighted average number of shares (RMB)</b>	13.78 cents	4.65 cents
- Weighted average number of shares ('000)	1,944,412	1,943,491
<b>(ii) On a fully diluted basis (RMB)</b>	12.77 cents	4.30 cents
- Adjusted weighted average number of shares ('000)	2,099,988	2,145,717



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

**7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (i) current period reported on; and**
- (ii) immediately preceding financial year**

	GROUP		COMPANY	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period/year (RMB)</b>	6.86	6.73	3.74	3.69

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

## **1Q 2011 vs. 1Q 2010**

Revenue of the Group grew 252.0% to RMB2.933 billion in 1Q 2011 from RMB833 million in 1Q 2010 attributable to the increase in GFA delivery in 1Q 2011 as compared to corresponding period last year. In 1Q 2011, the Group successfully completed the hand over of two new projects, namely Yanlord Yangtze Riverbay Town (Phase 1) (仁恒江湾城一期) in Nanjing and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which contributed 67.1% and 23.0% respectively to the Group's gross revenue from properties sold in 1Q 2011. In addition, the Group continued to deliver additional units in Yanlord Riverside City (Phase 3) (仁恒河滨城三期) in Shanghai, which accounted for 3.5% of the Group's gross revenue derived from sales of properties in 1Q 2011 compared with 47.7% of the Group's gross revenue from the sales of properties in 1Q 2010 and reflects the growing maturity of the Group's newer projects.

Supported by stronger revenue performance, gross profit of the Group nearly doubled to RMB944 million in 1Q 2011 as compared to RMB476 million in 1Q 2010. Gross profit margin was lower at 32.2% in 1Q 2011 as compared to 57.2% in 1Q 2010 mainly due to the change in the mix of products delivered in 1Q 2011, which included the inaugural delivery of units at Yanlord Yangtze



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Riverbay Town (Phase 1) (仁恒江湾城一期) in Nanjing. In line with the Group's business strategy to raise ASP for subsequent phases or batches of its developments, Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) was launched in February 2011 at an ASP of approximately RMB24,000 per sqm as compared to approximately RMB16,000 per sqm for Yanlord Yangtze Riverbay Town (Phase 1) (仁恒江湾城一期) recognised in 1Q 2011.

As such, profit before income tax grew 130.3% to RMB784 million in 1Q 2011 from RMB340 million in 1Q 2010 while profit before income tax margin declined to 26.7% in 1Q 2011 from 40.9% in 1Q 2010.

Underscored by the strong revenue growth as a result of greater GFA delivery, profit for the period in 1Q 2011 leapt 312.3% to RMB423 million from RMB103 million in 1Q 2010. As such, profit for the period margin increased 2.1 percentage points to 14.4% in 1Q 2011 from 12.3% in 1Q 2010.

**b) any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

## **STATEMENTS OF FINANCIAL POSITION**

### Convertible notes

As at 31 March 2011, convertible notes reported at RMB1.819 billion as compared with RMB1.772 billion as at 31 December 2010. The difference between the nominal value of convertible notes of RMB2.056 billion (as mentioned in Note 1(e)(ii) of RMB122 million for Notes 2012 and RMB1.934 billion for Notes 2014) and the book value of RMB1.819 billion (as recorded herein) was mainly attributable to the fair value of conversion options (recorded as "Reserves" in the statements of financial position in accordance with the relevant accounting standards) and the cumulative interest charged.

### Senior notes

The Group successfully completed the issuance of US\$400 million 10.625% senior notes due 2018 in March 2011. As such, the carrying amount of the senior notes increased to RMB4.495 billion as at 31 March 2011 from RMB1.940 billion as at 31 December 2010. Transaction costs related to the issuances were included in the carrying amount of the senior notes and amortised over the period of the senior notes using the effective interest method.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## **STATEMENTS OF CASH FLOWS**

### Net cash used in operating activities

Net cash outflow from operating activities was lower at RMB548 million in 1Q 2011 as compared to RMB1.438 billion in 1Q 2010 mainly due to the decrease in payment of land costs and property construction costs partly offset by the decrease in advances received from buyers in 1Q 2011 as compared to the corresponding period last year. Higher operating profit as a result of increased delivery of GFA in 1Q 2011 also contributed to the decrease in net cash used in operating activities in 1Q 2011 as compared with 1Q 2010.

### Net bank loan drawdown

Net bank loan drawdown of the Group decreased to RMB1.028 billion in 1Q 2011 from RMB2.399 billion in 1Q 2010. Higher net bank loan drawdown in 1Q 2010 was mainly attributable to the additional drawdown to redeem the convertible notes due 2012.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement for the current financial period has been previously disclosed to shareholders.

## **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

### INDUSTRY OUTLOOK

The global economy continues to be volatile over the near-term weighed down largely by the political unrest in Northern Africa and the Middle East coupled with the impact of the natural calamity which has struck Japan. However, the growth momentum of the PRC economy continues to be resilient, based on statistics released by the PRC National Bureau of Statistics, the PRC's GDP grew 9.7% year-on-year to RMB9.6 trillion for 1Q 2011. As such, while near-term market sentiments in the property may be volatile following recent austerity measures introduced by the PRC central government, the Group remains confident about the long term potential of the PRC real estate sector driven by the sustained development of the PRC economy and believes that recent measures introduced will serve as a firm platform that encourages the long term development of the PRC real estate sector.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## COMPANY OUTLOOK

Based on existing sales contracts of these pre-sold units, the total pre-contracted sales amounting to RMB6.346 billion as at 31 March 2011 will be progressively recognised as revenue in the subsequent quarters. The Group has received advances for pre-sold properties (recorded as “Other payables” in the statements of financial position), amounting to RMB4.401 billion.

The Group will continue to launch new project and new batches of its existing projects in 2Q 2011, namely, Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Lakeview Bay – Land Parcel A7 (仁恒双湖湾, A7地块) and Suzhou Wuzhong Area C1 Land – Villas (苏州吴中区C1地块 - 别墅) in Suzhou.

### Outlook

Given the volatilities in the global economy and the recent tightening measures of the government's credit policies in the PRC, the Group will continue to maintain its strong cash position and prudent financial policies to ensure the sustainable growth and development of the Group. Led by an experienced and dedicated management team with extensive industry knowledge of the PRC real-estate sector, we will continue to focus on our business strategies and comparative advantages in the development of quality residential apartments in prime locations within high growth PRC cities. This will best allow for the sustainable growth of our core business segments and capitalise on the long term growth prospects of the PRC real estate sector.

Barring any unforeseen circumstances, the Board of Directors is confident of the Group's performance relative to the industry trend for the next reporting period and the next 12 months based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.

### **11. Dividend**

- (a) Any dividend declared for the current financial period reported on? Nil.
- (b) Any dividend declared for the corresponding period of the immediately preceding financial year?  
Nil.
- (c) Date payable: Not applicable.
- (d) Books closure date: Not applicable.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## 12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the period under review.

## 13. Confirmation of the Board of Directors ("Board")

We refer to the requirement under Rule 705(5) of the SGX-ST Listing Manual.

We, Zhong Sheng Jian and Chan Yiu Ling, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the first quarter financial results of the Group for the period ended 31 March 2011 to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer

Chan Yiu Ling  
Director

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer  
11 May 2011