



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013 FINANCIAL STATEMENTS ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

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 30 June 2013

			%			%
	2Q 2013	2Q 2012	Change	1H 2013	1H 2012	Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	1,382,831	2,732,441	(49)	3,061,824	3,198,494	(4)
Cost of sales	(946,098)	(1,779,728)	(47)	(1,964,369)	(2,075,425)	(5)
Gross profit	436,733	952,713	(54)	1,097,455	1,123,069	(2)
Other operating income	12,541	566,565	(98)	27,224	739,905	(96)
Selling expenses	(47,380)	(35,012)	35	(92,483)	(66,938)	38
Administrative expenses	(148,397)	(89,787)	65	(334,191)	(179,135)	87
Other operating expenses	(1,915)	(1,774)	8	(3,644)	(2,788)	31
Finance cost	(48,100)	(36,013)	34	(90,883)	(71,998)	26
Share of loss of jointly controlled entities	(1,515)	(1,542)	(2)	(3,894)	(2,361)	65
Profit before income tax	201,967	1,355,150	(85)	599,584	1,539,754	(61)
Income tax	(123,322)	(517,681)	(76)	(355,144)	(565,724)	(37)
Profit for the period	78,645	837,469	(91)	244,440	974,030	(75)
Profit attributable to:						
Equity holders of the						
Company	6,437	735,579	(99)	73,742	871,216	(92)
Non-controlling interests	72,208	101,890	(29)	170,698	102,814	66
	78,645	837,469	(91)	244,440	974,030	(75)



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

	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recovery for doubtful debts and bad debts written off	-	-	(3)	-
Depreciation expense	8,059	8,327	19,037	16,534
Dividend income from available-for-sale investment	-	(5,120)	-	(5,120)
Dividend income from held-for-trading investment	(90)	(91)	(90)	(91)
Fair value gain on an investment property	-	(474,387)	-	(474,387)
Fair value loss (gain) on held-for-trading investment	985	(3,824)	2,199	(4,889)
Finance cost	48,100	36,013	90,883	71,998
Interest income	(9,788)	(10,738)	(17,641)	(19,201)
Net gain on disposal of property, plant and equipment	(264)	(1,991)	(775)	(8,426)
Net loss (gain) on disposal of investment properties	65	455	(669)	516
Net gain on disposal of available-for-sale investment	-	(129,946)	-	(129,946)
Net foreign exchange loss (gain)	54,403	62,731	113,302	(69,732)

Revenue and cost of sales

Total pre-contracted sales grew by 20.6% or RMB1.309 billion to RMB7.659 billion as at 30 June 2013 as compared with RMB6.350 billion as at 31 December 2012. These pre-contracted sales are expected to be progressively recognised as revenue in the subsequent quarters.

Due to the decrease in gross floor area ("GFA") delivered in the current reporting periods, revenue of the Group, net of business tax, was lower at RMB1.383 billion in 2Q 2013 and RMB3.062 billion in 1H 2013 as compared to RMB2.732 billion in 2Q 2012 and RMB3.198 billion in 1H 2012 respectively. Average selling price per square metre in current reporting periods grew as compared to same periods in 2012, which partly mitigated the lower revenue streams in the current reporting periods.



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Cost of sales, which mainly included land, construction and capitalised borrowing costs, decreased to RMB946 million in 2Q 2013 and RMB1.964 billion in 1H 2013 from RMB1.780 billion in 2Q 2012 and RMB2.075 billion in 1H 2012 respectively, in line with our expected lower GFA delivered in the current reporting periods.

Other contributors to the Group's revenue included the rental of investment properties as well as provision of property management services and other ancillary services.

Other operating income

Other operating income, which mainly included fair value gain on an investment property, net gain on disposal of available-for-sale investment, net foreign exchange gain, interest income and government subsidies, decreased by RMB554 million in 2Q 2013 and RMB713 million in 1H 2013 as compared to the respective periods in 2012 mainly attributable to recognition in 2012 of a fair value gain derived from a reclassification of a property for development to an investment property and net gain on disposal of available-for-sale investment. The other contributor to the higher operating income in 1H 2012 was due to the net foreign exchange gain recorded in the period while a net foreign exchange loss was recorded in 1H 2013 as set out in the "Administrative expenses" below.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased to RMB47 million in 2Q 2013 and RMB92 million in 1H 2013 from RMB35 million in 2Q 2012 and RMB67 million in 1H 2012 respectively. The increases were mainly attributable to higher staff costs, and the increase in advertising and promotion expenses as well as intermediary agency fee paid for existing pre-sales projects and new projects to be launched in 3Q 2013, in particular Yanlord Rosemite (仁恒峦山美地花园) in Shenzhen and Yanlord Marina Centre – Section B (仁恒滨海中心 – B 标段) in Zhuhai.

Administrative expenses

Administrative expenses, which mainly included staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange loss, grew by RMB59 million to RMB148 million in 2Q 2013 and by RMB155 million to RMB334 million in 1H 2013 over the same periods last year primarily due to the inclusion of net foreign exchange loss as a result of an appreciation of the Company's US\$ denominated senior notes against its S\$ functional currency at current period end as compared with the preceding year end.



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Other operating expenses

Other operating expenses remained stable at RMB2 million in 2Q 2013 and 2Q 2012, and increased slightly by RMB1 million to RMB4 million in 1H 2013 as compared to 1H 2012.

Finance cost

Finance cost, net of capitalised interest, increased by RMB12 million to RMB48 million in 2Q 2013 and by RMB19 million to RMB91 million in 1H 2013 over the corresponding periods in 2012. The higher finance costs incurred mainly due to the increase in interest expense incurred on investment properties and the issuance of the RMB2 billion 5.375% senior notes due 2016 in May 2013. The latter was charged as finance cost in the income statement before the funds were utilised to finance property development projects. In accordance with the Group's accounting policy, the finance cost used to finance the development of the Group's properties would be 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

In tandem with the lower revenue stream and profit before income tax, the Group's income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased by RMB394 million and RMB211 million to RMB123 million in 2Q 2013 and RMB355 million in 1H 2013 respectively as compared with the same periods in 2012.



YANLORD LAND GROUP LIMITED

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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 30 June 2013

	GROUP		COMPANY	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>ASSETS</u>				
Non-current assets				
Property, plant and equipment	614,528	594,202	-	-
Investment properties	8,042,765	7,975,200	-	-
Properties for development	16,620,980	16,079,251	-	-
Investments in subsidiaries	-	-	2,497,751	2,624,468
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	508,960	335,723	-	-
Intangible asset	613	613	-	-
Deferred tax assets	184,536	128,967	-	-
Total non-current assets	25,972,382	25,113,956	2,497,751	2,624,468
Current assets				
Inventories	41,748	39,527	-	-
Completed properties for sale	3,858,606	4,608,540	-	-
Properties under development for sale	22,462,977	20,284,446	-	-
Trade receivables	40,483	50,964	-	-
Other receivables and deposits	502,637	302,519	3,951	274
Non-trade amounts due from:				
Subsidiaries	-	-	12,187,512	11,037,800
Associate	359	213	-	-
Jointly controlled entities	243	-	-	-
Non-controlling shareholders of subsidiaries	495,506	331,424	-	-
Other related party	558	567	-	-
Held-for-trading investment	8,932	11,311	-	-
Pledged bank deposits	29,702	15,072	-	-
Cash and cash equivalents	4,268,445	3,540,577	1,894	2,601
Total current assets	31,710,196	29,185,160	12,193,357	11,040,675
Total assets	57,682,578	54,299,116	14,691,108	13,665,143



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	GROUP		COMPANY	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	9,141,947	9,068,027	20,750	(379,663)
Equity attributable to equity holders of the Company	16,403,673	16,329,753	7,282,476	6,882,063
Non-controlling interests	10,203,793	10,353,503	-	-
Total capital and reserves	26,607,466	26,683,256	7,282,476	6,882,063
Non-current liabilities				
Bank loans – due after one year	6,408,826	5,869,463	-	319,509
Convertible notes	322,732	331,346	322,732	331,346
Senior notes	6,230,909	4,327,818	4,260,074	4,327,818
Derivative financial instruments	35,869	-	-	-
Deferred tax liabilities	1,159,977	1,160,248	-	-
Non-trade amount due to:				
Non-controlling shareholders of subsidiaries	86,000	216,000	-	-
Total non-current liabilities	14,244,313	11,904,875	4,582,806	4,978,673
Current liabilities				
Bank loans – due within one year	2,781,754	2,549,816	-	10,260
Trade payables	4,350,653	3,694,139	-	-
Other payables	6,593,013	5,219,929	104,735	111,180
Non-trade amounts due to:				
Subsidiary	-	-	2,595,657	1,430,704
Directors	968	32,154	968	32,154
Ultimate holding company	124,466	220,109	124,466	220,109
Non-controlling shareholders of subsidiaries	557,184	1,081,114	-	-
Income tax payable	2,422,761	2,913,724	-	-
Total current liabilities	16,830,799	15,710,985	2,825,826	1,804,407
Total equity and liabilities	57,682,578	54,299,116	14,691,108	13,665,143



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

	GROUP	
	As at 30.06.2013	As at 31.12.2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	2,145,298	1,991,060
Unsecured	997,092	870,354
Sub-total 1	3,142,390	2,861,414
Amount repayable after one year:-		
Secured	5,379,769	3,274,800
Unsecured	7,633,698	7,449,827
Sub-total 2	13,013,467	10,724,627
Total debt	16,155,857	13,586,041

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, completed properties for sale and bank deposits.



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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 30 June 2013

	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	201,967	1,355,150	599,584	1,539,754
Adjustments for:				
Recovery for doubtful debts and bad debts written off	-	-	(3)	-
Depreciation expense	8,059	8,327	19,037	16,534
Dividend income from available-for-sale investment	-	(5,120)	-	(5,120)
Dividend income from held-for-trading investment	(90)	(91)	(90)	(91)
Fair value gain on an investment property	-	(474,387)	-	(474,387)
Fair value loss (gain) on held-for-trading investment	985	(3,824)	2,199	(4,889)
Finance cost	48,100	36,013	90,883	71,998
Interest income	(9,788)	(10,738)	(17,641)	(19,201)
Net gain on disposal of property, plant and equipment	(264)	(1,991)	(775)	(8,426)
Net loss (gain) on disposal of investment properties	65	455	(669)	516
Net gain on disposal of available-for-sale investment	-	(129,946)	-	(129,946)
Payable written off	-	-	-	(10,774)
Share of loss of jointly controlled entities	1,515	1,542	3,894	2,361
Operating cash flows before movements in working capital	250,549	775,390	696,419	978,329
Properties for development	(170,324)	(478,518)	(773,054)	(907,617)
Inventories	(3,609)	(3,337)	(2,221)	(8,304)
Completed properties for sale	330,296	398,979	1,263,647	615,716
Properties under development for sale	(1,119,197)	18,648	(2,403,482)	(950,262)



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	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables and deposits	(57,520)	(122,240)	(163,824)	(211,501)
Trade and other payables	1,642,233	1,174,650	1,999,970	2,559,340
Cash generated from operations	872,428	1,763,572	617,455	2,075,701
Interest paid	(246,570)	(261,099)	(524,978)	(622,556)
Income tax paid	(468,492)	(353,349)	(901,948)	(607,378)
Net cash from (used in) operating activities	157,366	1,149,124	(809,471)	845,767
Investing activities				
Investments in jointly controlled entities	-	-	(177,131)	-
Dividend received from available-for-sale investment	-	5,120	-	5,120
Dividend received from held-for-trading investment	90	91	90	91
Interest received	7,459	8,298	13,269	14,128
Increase in pledged bank deposits	(12,146)	(7,769)	(14,630)	(5,242)
Proceeds on disposal of property, plant and equipment	444	2,774	1,422	11,592
Proceeds on disposal of investment properties	7,967	1,206	13,848	61,591
Proceeds on disposal of available-for-sale investment	-	179,294	-	179,294
Purchase of property, plant and equipment	(22,944)	(18,674)	(41,015)	(24,289)
Payment for investment properties	(61,187)	(15,443)	(80,744)	(20,207)
Advance to an associate	(137)	(29)	(154)	(29)
(Advance to) Repayment from jointly controlled entities	(230)	22	(243)	-
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(139,374)	18,868	(159,421)	112,151
Net cash (used in) from investing activities	(220,058)	173,758	(444,709)	334,200



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	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Financing activities				
Dividend paid	(181,363)	-	(181,363)	-
Dividend paid to a non-controlling shareholder of a subsidiary	(18,000)	-	(374,000)	(150,187)
Net proceeds on issue of senior notes	1,969,864	-	1,969,864	-
Proceeds from bank loans	1,451,121	609,596	3,133,580	1,618,937
Repayment of bank loans	(2,037,176)	(1,633,668)	(2,580,675)	(2,141,632)
Redemption of convertible notes	-	-	-	(119,489)
Repayment to directors	(30,927)	(1,835)	(30,423)	(391)
(Repayment to) Advance from ultimate holding company	(88,432)	(1,079)	(88,432)	75,929
Advance from (Repayment to) non-controlling shareholders of subsidiaries	15,300	-	15,300	(55,911)
Cash injection from non-controlling shareholders of subsidiaries	-	135,285	53,631	280,213
Net cash from (used in) financing activities	1,080,387	(891,701)	1,917,482	(492,531)
Net increase in cash and cash equivalents	1,017,695	431,181	663,302	687,436
Cash and cash equivalents at beginning of period	3,225,891	4,404,185	3,540,577	4,273,644
Effect of exchange rate changes on the balance of cash held in foreign currencies	24,859	66,145	64,566	(59,569)
Cash and cash equivalents at end of period	4,268,445	4,901,511	4,268,445	4,901,511



YANLORD LAND GROUP LIMITED

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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 Group Statements of Comprehensive Income for the Period Ended 30 June 2013

	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	78,645	837,469	244,440	974,030
Other comprehensive income (expense):				
Currency translation difference	130,200	46,858	206,075	(121,092)
Cash flow hedge	(24,573)	-	(24,573)	-
Other comprehensive income (expense) for the period	105,627	46,858	181,502	(121,092)
Total comprehensive income for the period	184,272	884,327	425,942	852,938
Total comprehensive income attributable to:				
Equity holders of the Company	112,064	783,549	255,283	744,687
Non-controlling interests	72,208	100,778	170,659	108,251
	184,272	884,327	425,942	852,938



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Unaudited Company Statements of Comprehensive Income for the Period Ended 30 June 2013

	2Q 2013	2Q 2012	1H 2013	1H 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Profit (Loss) for the period	1,151,852	(235,390)	941,837	(259,609)
Other comprehensive (expense) income:				
Currency translation difference	(240,874)	(67,847)	(360,061)	148,482
Other comprehensive (expense) income for the period	(240,874)	(67,847)	(360,061)	148,482
Total comprehensive income (expense) for the period	910,978	(303,237)	581,776	(111,127)
Total comprehensive income (expense) attributable to:				
Equity holders of the Company	910,978	(303,237)	581,776	(111,127)
Non-controlling interests	-	-	-	-
	910,978	(303,237)	581,776	(111,127)



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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 30 June 2013

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	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	RMB'000
Balance at 1 January 2013	7,261,726	(412,772)	181,505	781,973	(1,834,019)	-	(337,230)	10,688,570	16,329,753	10,353,503	26,683,256
Total comprehensive income for the period	-	75,914	-	-	-	-	-	67,305	143,219	98,451	241,670
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	53,631	53,631
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	(356,000)	(356,000)
Appropriations	-	-	-	65,312	-	-	-	(65,312)	-	-	-
Balance at 31 March 2013	7,261,726	(336,858)	181,505	847,285	(1,834,019)	-	(337,230)	10,690,563	16,472,972	10,149,585	26,622,557



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	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	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	RMB'000
Total comprehensive income for the period	-	130,200	-	-	-	(24,573)	-	6,437	112,064	72,208	184,272
Dividends	-	-	-	-	-	-	-	(181,363)	(181,363)	-	(181,363)
Dividends declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	(18,000)	(18,000)
Appropriations	-	-	-	(1,144)	-	-	-	1,144	-	-	-
Balance at 30 June 2013	7,261,726	(206,658)	181,505	846,141	(1,834,019)	(24,573)	(337,230)	10,516,781	16,403,673	10,203,793	26,607,466



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Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2012

	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
Balance at 1 January 2012	7,261,726	(202,149)	408,041	556,575	(1,834,019)	(336,814)	8,961,430	14,814,790	9,216,095	24,030,885
Total comprehensive expense for the period	-	(174,499)	-	-	-	-	135,637	(38,862)	7,473	(31,389)
Change of interest in a subsidiary	-	-	-	-	-	(416)	-	(416)	(478)	(894)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	144,928	144,928
Appropriations	-	-	-	953	-	-	(953)	-	-	-
Balance at 31 March 2012	7,261,726	(376,648)	408,041	557,528	(1,834,019)	(337,230)	9,096,114	14,775,512	9,368,018	24,143,530
Total comprehensive income for the period	-	47,970	-	-	-	-	735,579	783,549	100,778	884,327
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	135,285	135,285
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(258,569)	(258,569)
Appropriations	-	-	-	191,370	-	-	(191,370)	-	-	-
Balance at 30 June 2012	7,261,726	(328,678)	408,041	748,898	(1,834,019)	(337,230)	9,640,323	15,559,061	9,345,512	24,904,573



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2013

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated (losses) profits RMB'000	Total RMB'000
Balance at 1 January 2013	7,261,726	162,137	181,505	(723,305)	6,882,063
Total comprehensive expense for the period	-	(119,187)	-	(210,015)	(329,202)
Balance at 31 March 2013	7,261,726	42,950	181,505	(933,320)	6,552,861
Total comprehensive income for the period	-	(240,874)	-	1,151,852	910,978
Dividends	-	-	-	(181,363)	(181,363)
Balance at 30 June 2013	7,261,726	(197,924)	181,505	37,169	7,282,476

Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2012

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2012	7,261,726	(151,630)	408,041	(435,433)	7,082,704
Total comprehensive income for the period	-	216,329	-	(24,219)	192,110
Balance at 31 March 2012	7,261,726	64,699	408,041	(459,652)	7,274,814
Total comprehensive expense for the period	-	(67,847)	-	(235,390)	(303,237)
Balance at 30 June 2012	7,261,726	(3,148)	408,041	(695,042)	6,971,577



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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 30 June 2013, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 March 2013: RMB7.262 billion). Details of the Company's issued ordinary shares at the end of the relevant financial periods were as follows:

	Number of ordinary shares	
	'000	RMB'000
As at 31 December 2012	1,948,736	7,261,726
As at 1 April 2013 and 30 June 2013	1,948,736	7,261,726

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 and with effect from 6 June 2011, from S\$2.59 to S\$2.56 per share. With effect from 16 May 2013, the conversion price was further adjusted from S\$2.56 to S\$2.52 per share.

In July 2012, the holders of S\$305 million outstanding Notes 2014 exercised their put options. As of 30 June 2013, RMB339 million (equivalent to S\$70 million) Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 was converted into ordinary shares during the current financial period.



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Based on the conversion price of S\$2.52 per share (30 June 2012: S\$2.56) and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 27,777,777 shares as at 30 June 2013 (30 June 2012: 146,484,375 shares).

Treasury Shares

The Company did not hold any treasury shares as at 30 June 2013 and 30 June 2012.

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 second quarter and half year ended 30 June 2013 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.



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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 unaudited financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2012, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2013. The adoption of these new and revised FRSs has no material effect on the unaudited financial statements for the current financial period.

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, and the effect of, the change

There have been no changes in accounting policies and methods of computation.

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.

	GROUP		GROUP	
	2Q 2013	2Q 2012	1H 2013	1H 2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EPS based on Group's profit attributable to equity holders of the Company:				
(i) On the weighted average number of shares (RMB)				
	0.33 cents	37.75 cents	3.78 cents	44.71 cents
- Weighted average number of shares ('000)				
	1,948,736	1,948,736	1,948,736	1,948,736
(ii) On a fully diluted basis (RMB)				
	0.33 cents	35.11 cents	3.78 cents	41.55 cents
- Adjusted weighted average number of shares ('000)				
	1,948,736	2,095,221	1,948,736	2,097,035



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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 financial period reported on; and

(ii) immediately preceding financial year

	GROUP		COMPANY	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	8.42	8.38	3.74	3.53

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

2Q 2013 vs. 2Q 2012

The Group's revenue decreased to RMB1.383 billion in 2Q 2013 from RMB2.732 billion in 2Q 2012 mainly attributable to a decrease in GFA delivered in 2Q 2013 as compared to 2Q 2012. The major contributors to the Group's revenue stream were the delivery of Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Lakeview Bay – Land Parcel A2 (仁恒双湖湾 – A2 地块) in Suzhou, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which accounted for 19.3%, 19.1%, 18.2%, 15.7% and 10.2% respectively of the Group's gross revenue from the sales of properties in 2Q 2013.

Following the decrease in the revenue of the Group, gross profit was lower at RMB437 million in 2Q 2013 as compared to RMB953 million in 2Q 2012. Gross profit margin decreased to 31.6% in 2Q 2013 from 34.9% in 2Q 2012 mainly due to the change in composition mix of the properties delivered.



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Profit before income tax was RMB202 million in 2Q 2013 as compared to RMB1.355 billion in 2Q 2012, while profit before income tax margin was 14.6% in 2Q 2013 as compared to 49.6% in 2Q 2012. The higher profit before income tax in 2Q 2012 was primarily attributable to greater GFA delivered, fair value gain on an investment property and net gain on disposal of available-for-sale investment recognised in 2Q 2012.

Profit for 2Q 2013 was therefore lower at RMB79 million as compared to RMB837 million in 2Q 2012. Accordingly, the margin in 2Q 2013 decreased to 5.7% as compared to 30.6% in 2Q 2012.

1H 2013 vs. 1H 2012

Revenue in 1H 2013 decreased marginally by 4.3% to RMB3.062 billion as compared with RMB3.198 billion in 1H 2012 as a result of the lower GFA delivered to customers. Revenue of the Group in 1H 2013 was mainly derived from Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Lakeview Bay – Land Parcels A2 and A6 (仁恒双湖湾 – A2 及 A6 地块) in Suzhou, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which represented 26.3%, 19.8%, 15.4%, 13.9% and 10.3% respectively of the total gross revenue from the sales of properties in 1H 2013.

In line with the lower revenue of the Group in 1H 2013, gross profit declined slightly by 2.3% to RMB1.097 billion as compared with RMB1.123 billion in 1H 2012. Gross profit margin increased slightly by 0.7 percentage point to 35.8% in 1H 2013 from 35.1% in 1H 2012.

Driven by the fair value gain on an investment property, net gain on disposal of available-for-sale investment and net foreign exchange gain recognised in 1H 2012, together with net foreign exchange loss incurred in 1H 2013, profit before income tax in 1H 2013 was lower at RMB600 million as compared to RMB1.540 billion in 1H 2012. Profit before income tax margin was 19.6% in 1H 2013 as compared to 48.1% in 1H 2012.

As such, profit for 1H 2013 was lower at RMB244 million as compared to RMB974 million in 1H 2012. Accordingly, the margin in 1H 2013 decreased to 8.0% as compared to 30.5% in 1H 2012.



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- 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

Convertible notes were RMB323 million as at 30 June 2013 as compared to RMB331 million as at 31 December 2012. The difference between the nominal value of convertible notes of RMB339 million as mentioned in Note 1(e)(ii) for Notes 2014 and the book value of RMB323 million (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).

Senior notes

Senior notes increased by RMB1.903 billion to RMB6.231 billion as at 30 June 2013 as compared to RMB4.328 billion as at 31 December 2012 mainly due to the issuance of RMB2 billion 5.375% senior notes due 2016 in May 2013 by a wholly-owned subsidiary of the Company. Transaction costs that related to the issuance were included in the carrying amount of the senior notes and amortised over the period of the senior notes using the effective interest method.

Other payables

Other payables, which mainly included advances received from customers, increased by 26.3% or RMB1.373 billion to RMB6.593 billion as at 30 June 2013 from RMB5.220 billion as at 31 December 2012 mainly due to an increase in pre-sales proceeds received from customers.

STATEMENTS OF CASH FLOWS

Net cash used in operating activities

The Group recorded a net cash outflow from operating activities of RMB809 million in 1H 2013 as compared to net cash inflow of RMB846 million in 1H 2012 mainly attributable to the increase in construction payment on projects and relatively lower pre-sales proceeds received from customers in 1H 2013 over the corresponding period last year.



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Net bank loan drawdown

Net bank loan drawdown of RMB553 million in 1H 2013 as compared to net bank loan repayment of RMB523 million in 1H 2012 was in line with the increase in construction payment in current reporting period.

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

Uncertainty regarding the quantitative easing measures of the United States coupled with credit tightening by the People's Republic of China ("PRC") central bank in June 2013 continue to weigh on market sentiments in the PRC property sector. However, despite this near term volatility, the Group remains confident about the long term potential of the PRC real estate sector driven by the sustained development of the PRC economy.

COMPANY OUTLOOK

Based on the existing sales contracts of the pre-sold units, the total pre-contracted sales amounted to RMB7.659 billion as at 30 June 2013. In line with the Group's delivery schedule, the Group expects to deliver most of its pre-sold units in the subsequent quarters which will serve to enhance its recognised revenue for FY 2013. As at 30 June 2013, the Group has received advances for pre-sold properties (recorded as "Other payables" in the statements of financial position), amounting to RMB5.874 billion.



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The Group will continue to launch new projects and new batches of its existing projects in 3Q 2013, namely, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, Yanlord Rosemite (仁恒崋山美地花园) in Shenzhen, Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) in Shanghai, Yanlord Marina Centre – Section B (仁恒滨海中心 – B标段) in Zhuhai and Tangshan Nanhu Eco-City - Land Parcel A9 (唐山南湖生态城 – A9地块).

Outlook

Given the continued challenges posed by volatilities in the global economy and pressures arising from austerity measures introduced by the PRC central government, the Group believes that its prudent financial policies coupled with a strong cash position will serve to better drive its sustained development. Led by an experienced and dedicated management team with extensive industry knowledge of the PRC real estate sector, the Group will continue to focus on its 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 the Group's core business segments and to capitalise on the long term growth prospects of the PRC real estate sector.

Barring any further significant deterioration in the global economy and any other 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.

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.



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13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' general mandate for IPTs.

14. 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 unaudited second quarter and half year financial results of the Group for the period ended 30 June 2013 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
13 August 2013