



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013 FINANCIAL STATEMENTS ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

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UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 2013

	3Q 2013	3Q 2012	% Change	9M 2013	9M 2012	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	3,507,589	2,510,244	40	6,569,413	5,708,738	15
Cost of sales	(2,406,148)	(1,614,341)	49	(4,370,517)	(3,689,766)	18
Gross profit	1,101,441	895,903	23	2,198,896	2,018,972	9
Other operating income	12,685	173,686	(93)	39,909	913,591	(96)
Selling expenses	(53,300)	(39,500)	35	(145,783)	(106,438)	37
Administrative expenses	(42,325)	(87,184)	(51)	(376,516)	(266,319)	41
Other operating expenses	1,822	(17,086)	NM	(1,822)	(19,874)	(91)
Finance cost	(54,116)	(43,727)	24	(144,999)	(115,725)	25
Share of loss of jointly controlled entities	(1,318)	(1,393)	(5)	(5,212)	(3,754)	39
Profit before income tax	964,889	880,699	10	1,564,473	2,420,453	(35)
Income tax	(398,836)	(374,188)	7	(753,980)	(939,912)	(20)
Profit for the period	566,053	506,511	12	810,493	1,480,541	(45)
Profit attributable to:						
Equity holders of the						
Company	306,716	362,587	(15)	380,458	1,233,803	(69)
Non-controlling interests	259,337	143,924	80	430,035	246,738	74
	566,053	506,511	12	810,493	1,480,541	(45)

NM: Not meaningful



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

	3Q 2013	3Q 2012	9M 2013	9M 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	8,387	9,438	27,424	25,972
Dividend income from available-for-sale investment	-	-	-	(5,120)
Dividend income from held-for-trading investment	-	-	(90)	(91)
Fair value gain on an investment property	-	-	-	(474,387)
Fair value (gain) loss on held-for-trading investment	(2,596)	491	(397)	(4,398)
Finance cost	54,116	43,727	144,999	115,725
Interest income	(10,632)	(9,741)	(28,273)	(28,942)
Net loss (gain) on disposal of property, plant and equipment	822	(5,923)	47	(14,349)
Net (gain) loss on disposal of investment properties	(229)	7,905	(898)	8,421
Net gain on disposal of available-for-sale investment	-	-	-	(129,946)
Net foreign exchange (gain) loss	(54,244)	(119,561)	59,058	(189,293)

Revenue and cost of sales

Revenue of the Group, net of business tax, increased to RMB3.508 billion in 3Q 2013 which represented a growth of 39.7% or RMB997 million in 3Q 2013 over the corresponding period last year primarily due to an increase in average selling price ("ASP") per square metre ("sqm") arising from a change in product mix composition and higher gross floor area ("GFA") delivered in 3Q 2013 as compared to 3Q 2012. Despite lower GFA delivered in 9M 2013, revenue for the period grew 15.1% or RMB861 million to RMB6.569 billion in 9M 2013 over the same period last year due to the higher ASP per sqm achieved.



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Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased by RMB792 million to RMB2.406 billion in 3Q 2013 and by RMB681 million to RMB4.371 billion in 9M 2013 as compared with the respective periods last year, in-line with the increased revenue stream. The increases in cost of sales were mainly attributable to the inclusion of higher-priced project, namely, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai with relatively higher development costs.

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 foreign exchange gain, interest income, government subsidies, waiver of interest expense and net gain on disposal of available-for-sale investment as well as property, plant and equipment, decreased by RMB161 million to RMB13 million in 3Q 2013 and by RMB874 million to RMB40 million in 9M 2013 as compared to the corresponding periods last year. The higher other operating income in 3Q 2012 was mainly attributable to the recognition of a net foreign exchange gain, waiver of interest expense and a net gain on disposal of property, plant and equipment in 3Q 2012. The Group recognised fair value gain from a reclassification of a commercial property for development to an investment property, net foreign exchange gain and net gain on disposal of available-for-sale investment in 9M 2012, which mainly drove the significant increase in other operating income in 9M 2012 as compared with 9M 2013.

Selling expenses

Selling expenses grew to RMB53 million in 3Q 2013 from RMB40 million in 3Q 2012 and to RMB146 million in 9M 2013 from RMB106 million in 9M 2012 principally due to increase in staff costs, advertising and promotion expenses as well as intermediary agency fee as a result of continuing launch of new projects and increasing numbers of sales locations.

Administrative expenses

Excluding net foreign exchange gain of RMB54 million in 3Q 2013 (included herewith as "administrative expenses") and net foreign exchange loss of RMB59 million in 9M 2013, administrative expenses, which mainly included staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange loss, grew by RMB9 million to RMB97 million in 3Q 2013 and by RMB51 million to RMB317 million in 9M 2013 as compared with corresponding periods last year, mainly due to higher staff cost to support the continued growth of the business.



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Other operating expenses

The Group recorded a negative RMB2 million of other operating expenses in 3Q 2013 and RMB2 million in 9M 2013 as compared with RMB17 million in 3Q 2012 and RMB20 million in 9M 2012 respectively. The negative RMB2 million other operating expenses in 3Q 2013 was mainly attributable to the recognition of a fair value loss on held-for-trading investment in 1H 2013 (recorded herewith as “other operating expenses”) as compared with a fair value gain on held-for-trading investment in 9M 2013 (recorded above as “other operating income”). The main contributors to the higher other operating expenses in last reporting periods included the recognition of loss on an early redemption of convertible notes due 2014 and net loss on disposal of investment properties for the sales promotions of car park lots.

Finance cost

Finance cost, net of capitalised interest, increased by RMB10 million to RMB54 million in 3Q 2013 and by RMB29 million to RMB145 million in 9M 2013 over the corresponding periods in 2012. The higher finance costs was 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 movement of profit before income tax, the Group’s income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, was higher at RMB399 million in 3Q 2013 and lower at RMB754 million in 9M 2013 as compared to RMB374 million in 3Q 2012 and RMB940 million in 9M 2012 respectively.



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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 September 2013

	GROUP		COMPANY	
	30.09.2013	31.12.2012	30.09.2013	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	614,515	594,202	-	-
Investment properties	8,004,209	7,975,200	-	-
Properties for development	17,024,745	16,079,251	-	-
Investments in subsidiaries	-	-	2,507,439	2,624,468
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	507,642	335,723	-	-
Non-trade amount due from:				
Non-controlling shareholder of subsidiary	155,947	-	-	-
Intangible asset	613	613	-	-
Deferred tax assets	201,048	128,967	-	-
Total non-current assets	26,508,719	25,113,956	2,507,439	2,624,468
Current assets				
Inventories	46,431	39,527	-	-
Completed properties for sale	5,739,381	4,608,540	-	-
Properties under development for sale	19,415,825	20,284,446	-	-
Trade receivables	44,858	50,964	-	-
Other receivables and deposits	475,531	302,519	2,494	274
Non-trade amounts due from:				
Subsidiaries	-	-	12,267,413	11,037,800
Associate	361	213	-	-
Jointly controlled entity	27	-	-	-
Non-controlling shareholders of subsidiaries	357,568	331,424	-	-
Other related party	555	567	-	-
Held-for-trading investment	11,477	11,311	-	-
Pledged bank deposits	221,861	15,072	-	-
Cash and cash equivalents	5,206,196	3,540,577	3,972	2,601
Total current assets	31,520,071	29,185,160	12,273,879	11,040,675
Total assets	58,028,790	54,299,116	14,781,318	13,665,143



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	GROUP		COMPANY	
	30.09.2013	31.12.2012	30.09.2013	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	9,454,977	9,068,027	(22,858)	(379,663)
Equity attributable to equity holders of the Company	16,716,703	16,329,753	7,238,868	6,882,063
Non-controlling interests	10,127,409	10,353,503	-	-
Total capital and reserves	26,844,112	26,683,256	7,238,868	6,882,063
Non-current liabilities				
Bank loans – due after one year	6,904,422	5,869,463	-	319,509
Convertible notes	-	331,346	-	331,346
Senior notes	6,215,118	4,327,818	4,241,932	4,327,818
Derivative financial instruments	21,571	-	-	-
Deferred tax liabilities	1,193,191	1,160,248	-	-
Non-trade amount due to:				
Non-controlling shareholders of subsidiaries	35,000	216,000	-	-
Total non-current liabilities	14,369,302	11,904,875	4,241,932	4,978,673
Current liabilities				
Bank loans – due within one year	2,325,048	2,549,816	26,275	10,260
Convertible notes	327,902	-	327,902	-
Trade payables	4,427,196	3,694,139	-	-
Other payables	7,063,072	5,219,929	77,900	111,180
Non-trade amounts due to:				
Subsidiary	-	-	2,741,714	1,430,704
Directors	1,459	32,154	1,459	32,154
Ultimate holding company	120,268	220,109	125,268	220,109
Non-controlling shareholders of subsidiaries	91,377	1,081,114	-	-
Income tax payable	2,459,054	2,913,724	-	-
Total current liabilities	16,815,376	15,710,985	3,300,518	1,804,407
Total equity and liabilities	58,028,790	54,299,116	14,781,318	13,665,143



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

	GROUP	
	As at 30.09.2013	As at 31.12.2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,411,177	1,991,060
Unsecured	1,457,137	870,354
Sub-total 1	2,868,314	2,861,414
Amount repayable after one year:-		
Secured	5,560,032	3,274,800
Unsecured	7,559,508	7,449,827
Sub-total 2	13,119,540	10,724,627
Total debt	15,987,854	13,586,041

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' property, plant and equipment, 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 September 2013

	3Q 2013	3Q 2012	9M 2013	9M 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	964,889	880,699	1,564,473	2,420,453
Adjustments for:				
Recovery for doubtful debts and bad debts written off	-	-	(3)	-
Depreciation expense	8,387	9,438	27,424	25,972
Dividend income from available-for-sale investment	-	-	-	(5,120)
Dividend income from held-for-trading investment	-	-	(90)	(91)
Fair value gain on an investment property	-	-	-	(474,387)
Fair value (gain) loss on held-for-trading investment	(2,596)	491	(397)	(4,398)
Gain on put option written off	-	(5,187)	-	(5,187)
Finance cost	54,116	43,727	144,999	115,725
Interest income	(10,632)	(9,741)	(28,273)	(28,942)
Loss on redemption on convertible notes	-	8,198	-	8,198
Net loss (gain) on disposal of property, plant and equipment	822	(5,923)	47	(14,349)
Net (gain) loss on disposal of investment properties	(229)	7,905	(898)	8,421
Net gain on disposal of available-for-sale investment	-	-	-	(129,946)
Payable written off	-	-	-	(10,774)
Waiver of interest expense	-	(27,430)	-	(27,430)
Share of loss of jointly controlled entities	1,318	1,393	5,212	3,754
Operating cash flows before movements in working capital	1,016,075	903,570	1,712,494	1,881,899



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	3Q 2013	3Q 2012	9M 2013	9M 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Properties for development	(907,534)	(561,654)	(1,680,588)	(1,469,271)
Inventories	(4,651)	(45)	(6,872)	(8,349)
Completed properties for sale	445,150	180,833	1,708,797	796,549
Properties under development for sale	872,669	520,306	(1,530,813)	(429,956)
Trade and other receivables and deposits	45,041	1,562	(118,783)	(209,939)
Trade and other payables	529,029	474,053	2,528,999	3,033,393
Cash generated from operations	1,995,779	1,518,625	2,613,234	3,594,326
Interest paid	(283,302)	(272,817)	(808,280)	(895,373)
Income tax paid	(345,874)	(417,583)	(1,247,822)	(1,024,961)
Net cash from operating activities	1,366,603	828,225	557,132	1,673,992
Investing activities				
Acquisition of a subsidiary	327	-	327	-
Investments in jointly controlled entities	-	-	(177,131)	-
Dividend received from available-for-sale investment	-	-	-	5,120
Dividend received from held-for-trading investment	-	-	90	91
Interest received	6,269	7,208	19,538	21,336
Increase in pledged bank deposits	(192,159)	(9,511)	(206,789)	(14,753)
Proceeds on disposal of property, plant and equipment	7,366	8,926	8,788	20,518
Proceeds on disposal of investment properties	1,518	8,271	15,366	69,862
Proceeds on disposal of available-for-sale investment	-	-	-	179,294
Purchase of property, plant and equipment	(17,013)	(30,615)	(58,028)	(54,904)
Investment properties	37,267	(41,512)	(43,477)	(61,719)
Repayment from (Advance to) an associate	18	(64)	(136)	(93)
Repayment from (Advance to) jointly controlled entities	216	-	(27)	-



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	3Q 2013	3Q 2012	9M 2013	9M 2012
	RMB'000	RMB'000	RMB'000	RMB'000
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(13,524)	86,512	(172,945)	198,663
Net cash (used in) from investing activities	(169,715)	29,215	(614,424)	363,415
Financing activities				
Dividend paid	-	-	(181,363)	-
Dividend paid to non-controlling shareholders of subsidiaries	-	(293,248)	(374,000)	(443,435)
Net proceeds on issue of senior notes	-	-	1,969,864	-
Proceeds from bank loans	2,212,449	1,910,637	5,346,029	3,529,574
Repayment of bank loans	(1,897,695)	(2,466,067)	(4,478,370)	(4,607,699)
Redemption of convertible notes	-	(1,515,545)	-	(1,635,034)
Advance from (Repayment to) directors	481	629	(29,942)	238
(Repayment to) Advance from ultimate holding company	(3,905)	2,593	(92,337)	78,522
Repayment to non-controlling shareholders of subsidiaries	(196,000)	(24,565)	(180,700)	(80,476)
Cash (withdrawal) injection from non-controlling shareholders of subsidiaries	(400,949)	124,638	(347,318)	404,851
Net cash (used in) from financing activities	(285,619)	(2,260,928)	1,631,863	(2,753,459)
Net increase (decrease) in cash and cash equivalents	911,269	(1,403,488)	1,574,571	(716,052)
Cash and cash equivalents at beginning of period	4,268,445	4,901,511	3,540,577	4,273,644
Effect of exchange rate changes on the balance of cash held in foreign currencies	26,482	(121,297)	91,048	(180,866)
Cash and cash equivalents at end of period	5,206,196	3,376,726	5,206,196	3,376,726



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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 September 2013

	3Q 2013	3Q 2012	9M 2013	9M 2012
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	566,053	506,511	810,493	1,480,541
Other comprehensive income				
(expense):				
Currency translation difference	2,132	(132,622)	208,207	(253,714)
Cash flow hedge	4,182	-	(20,391)	-
Other comprehensive income				
(expense) for the period	6,314	(132,622)	187,816	(253,714)
Total comprehensive income for the period	572,367	373,889	998,309	1,226,827
Total comprehensive income attributable to:				
Equity holders of the Company	313,030	235,775	568,313	980,462
Non-controlling interests	259,337	138,114	429,996	246,365
	572,367	373,889	998,309	1,226,827



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

	3Q 2013	3Q 2012	9M 2013	9M 2012
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss) Profit for the period	(70,958)	537	870,879	(259,072)
Other comprehensive income (expense):				
Currency translation difference	27,350	233,034	(332,711)	381,516
Other comprehensive income (expense) for the period	27,350	233,034	(332,711)	381,516
Total comprehensive (expense) income for the period	(43,608)	233,571	538,168	122,444
Total comprehensive (expense) income attributable to:				
Equity holders of the Company	(43,608)	233,571	538,168	122,444
Non-controlling interests	-	-	-	-
	(43,608)	233,571	538,168	122,444



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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 September 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
Total comprehensive income for the period	-	2,132	-	-	-	4,182	-	306,716	313,030	259,337	572,367
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	400	400
Return of non-controlling shareholder's share of reserves	-	-	-	-	-	-	-	-	-	(336,121)	(336,121)
Appropriations	-	-	-	441	-	-	-	(441)	-	-	-
Balance at 30 September 2013	7,261,726	(204,526)	181,505	846,582	(1,834,019)	(20,391)	(337,230)	10,823,056	16,716,703	10,127,409	26,844,112



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Unaudited Group Statements of Changes in Equity for the Period Ended 30 September 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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	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
Total comprehensive income for the period	-	(126,812)	-	-	-	-	362,587	235,775	138,114	373,889
Redemption of convertible notes	-	-	(103,966)	-	-	-	-	(103,966)	-	(103,966)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	124,638	124,638
Appropriations	-	-	-	10,428	-	-	(10,428)	-	-	-
Balance at 30 September 2012	7,261,726	(455,490)	304,075	759,326	(1,834,019)	(337,230)	9,992,482	15,690,870	9,608,264	25,299,134



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 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
Total comprehensive expense for the period	-	27,350	-	(70,958)	(43,608)
Balance at 30 September 2013	7,261,726	(170,574)	181,505	(33,789)	7,238,868

Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 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
Total comprehensive income for the period	-	233,034	-	537	233,571
Redemption of convertible notes	-	-	(103,966)	-	(103,966)
Balance at 30 September 2012	7,261,726	229,886	304,075	(694,505)	7,101,182



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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 September 2013, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (30 June 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 July 2013 and 30 September 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 September 2013, RMB341 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 September 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 September 2013 (30 September 2012: 27,343,750 shares).

Treasury Shares

The Company did not hold any treasury shares as at 30 September 2013 and 30 September 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 third quarter and nine months ended 30 September 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	
	3Q 2013	3Q 2012	9M 2013	9M 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)				
	15.74 cents	18.61 cents	19.52 cents	63.31 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)				
	15.60 cents	18.33 cents	19.50 cents	59.97 cents
- Adjusted weighted average number of shares ('000)				
	1,976,514	1,991,620	1,976,300	2,061,640



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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	
	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	8.58	8.38	3.71	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

3Q 2013 vs. 3Q 2012

Driven by significant increase in ASP per sqm arising from the inclusion of higher-priced project, namely, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai and the higher GFA delivered, revenue of the Group increased by 39.7% or RMB997 million to RMB3.508 billion in 3Q 2013 over the same period in 2012. The revenue was mainly derived from the delivery of Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) and Bayside Gardens (御澜湾苑) in Shanghai, Yanlord Lakeview Bay – Land Parcels A2 and A6 (仁恒双湖湾 – A2 及 A6 地块) in Suzhou and Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, which accounted for 52.0%, 22.3%, 10.6% and 7.7% respectively of the Group's gross revenue from properties sold in 3Q 2013.

In tandem with the improved revenue stream, gross profit grew by 22.9% or RMB206 million to RMB1.101 billion in 3Q 2013 over the corresponding period in 2012. Gross profit margin decreased by 4.3 percentage points to 31.4% in 3Q 2013 as compared to same period last year principally due to the change in product mix composition.



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Hence, profit before income tax increased by 9.6% or RMB84 million to RMB965 million in 3Q 2013, while profit before income tax margin decreased by 7.6 percentage points to 27.5% in 3Q 2013 as compared with the same period last year.

Profit for the period was therefore recorded a 11.8% or RMB60 million increase to RMB566 million in 3Q 2013, while the profit for the period margin decreased by 4.1 percentage points to 16.1% in 3Q 2013 over the corresponding period in 2012.

9M 2013 vs. 9M 2012

Despite lower GFA delivered in 9M 2013, the Group's revenue grew by 15.1% or RMB861 million to RMB6.569 billion in 9M 2013 as compared to 9M 2012 driven by higher ASP per sqm achieved in 3Q 2013. The key contributors to revenue in 9M 2013 were from Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) and Bayside Gardens (御澜湾苑) in Shanghai, Yanlord Lakeview Bay – Land Parcel A2 and A6 (仁恒双湖湾 – A2 及 A6 地块) in Suzhou, 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 and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which accounted for 34.8%, 15.1%, 14.8%, 13.0%, 11.1% and 6.3% respectively of the total gross revenue from the sales of properties in 9M 2013.

An increase of 8.9% or RMB180 million in gross profit was reported in 9M 2013 as compared to 9M 2012, in-line with the increase in revenue stream. Gross profit margin declined slightly by 1.9 percentage points to 33.5% in 9M 2013 over the same period in 2012 as a result of the change in product mix composition.

Profit before income tax and the margin decreased to RMB1.564 billion and 23.8% respectively in 9M 2013 from RMB2.420 billion and 42.4% respectively in 9M 2012 primarily due to the lower other operating income as mentioned above in Note 1(a).

As such, profit for the period was lower at RMB810 million in 9M 2013 as compared to RMB1.481 billion in 9M 2012, while the margin declined to 12.3% in 9M 2013 from 25.9% in 9M 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

As at 30 September 2013, convertible notes reported at RMB328 million in current liabilities, as compared to RMB331 million in non-current liabilities as at 31 December 2012, in accordance to the maturity date on 13 July 2014. The difference between the nominal value of convertible notes of RMB341 million as mentioned in Note 1(e)(ii) for Notes 2014 and the book value of RMB328 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 RMB1.887 billion to RMB6.215 billion as at 30 September 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 35.3% or RMB1.843 billion to RMB7.063 billion as at 30 September 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 bank loan drawdown

The Group recorded net bank loan drawdown of RMB315 million in 3Q 2013 and RMB868 million in 9M 2013 as compared to net bank loan repayment of RMB555 million in 3Q 2012 and RMB1.078 billion in 9M 2012 respectively, primarily due to the increases in construction bank loan drawdown in various projects which commenced construction in late 2012 and are undergoing a full scale of construction works in current reporting periods.



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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

Concerns regarding the United States debt ceiling coupled with possible economic slowdown in the People's Republic of China ("PRC") may 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 sustainable development of the PRC economy.

While near term uncertainties continue to persist in the PRC real estate sector, key initiatives promulgated by the PRC Central government such as the recently announced Free Trade Zone ("FTZ") in Shanghai coupled with similar FTZs proposed in cities such as Tianjin will undoubtedly increase population inflows into these regions and spur demand for quality residential developments. Yanlord is well poised to capitalise on this demand growth as projects such as Yanlord Sunland Gardens (仁恒森兰雅苑) and Yanlord Eastern Gardens (仁恒东郊花园) in Shanghai are in close proximity to the new FTZ and projects such as Yanlord on the Park (仁恒世纪公寓) in Shanghai are ideally situated within the existing central business district of Lujiazui, Shanghai, enabling the company to service the needs of discerning buyers across various segments in the city.



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COMPANY OUTLOOK

Based on the existing sales contracts of the pre-sold units, the total pre-contracted sales amounted to RMB9.466 billion as at 30 September 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 September 2013, the Group has received advances for pre-sold properties (recorded as "Other payables" in the statements of financial position), amounting to RMB6.026 billion.

The Group will continue to launch new projects and new batches of its existing projects in 4Q 2013, namely, Yanlord Riverbay (Phase 2) (仁恒滨河湾二期) in Chengdu, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, Yanlord Rosemite (仁恒峦山美地花园) in Shenzhen, Bayside Gardens (御澜湾苑) and Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) in Shanghai, Yanlord Lakeview Bay - Land Parcels A2, A5 and A7 (仁恒双湖湾 – A2、A5及A7地块) in Suzhou.

The Group continues to actively pursue opportunities to expand its landbank holdings. Subsequent to the end of the period, the Group successfully acquired in October 2013, a prime integrated development site with a combined GFA of approximately 386,000 sqm in the Sino-Singapore Nanjing Eco Hi-Tech Island ("Nanjing Eco-Island"), for RMB2.877 billion or at an average purchase price of RMB7,447 per sqm through a public land auction.

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 its 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



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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.

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 third quarter and nine months financial results of the Group for the period ended 30 September 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



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YANLORD

YANLORD LAND GROUP LIMITED

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ON BEHALF OF THE BOARD

Zhong Sheng Jian

Chairman and Chief Executive Officer

12 November 2013