



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014 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 2014

### 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 Consolidated Statements of Profit or Loss for the Period Ended 30 June 2014

	2Q 2014	2Q 2013	% Change	1H 2014	1H 2013	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	1,508,511	1,382,831	9	3,271,745	3,061,824	7
<b>Cost of sales</b>	(1,130,772)	(946,098)	20	(2,253,812)	(1,964,369)	15
<b>Gross profit</b>	377,739	436,733	(14)	1,017,933	1,097,455	(7)
Other operating income	19,423	12,541	55	140,043	27,224	414
Selling expenses	(53,253)	(47,380)	12	(103,431)	(92,483)	12
Administrative expenses	(108,314)	(148,397)	(27)	(243,625)	(334,191)	(27)
Other operating expenses	(605)	(1,915)	(68)	(1,640)	(3,644)	(55)
Finance cost	(60,497)	(48,100)	26	(120,735)	(90,883)	33
Share of (loss) profit of jointly controlled entities	(1,872)	(1,515)	24	97,681	(3,894)	NM
<b>Profit before income tax</b>	172,621	201,967	(15)	786,226	599,584	31
Income tax	(114,436)	(123,322)	(7)	(369,738)	(355,144)	4
<b>Profit for the period</b>	58,185	78,645	(26)	416,488	244,440	70
<b>Profit attributable to:</b>						
Equity holders of the						
Company	14,809	6,437	130	280,810	73,742	281
Non-controlling interests	43,376	72,208	(40)	135,678	170,698	(21)
	58,185	78,645	(26)	416,488	244,440	70

NM: Not meaningful



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

	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>1H 2014</b>	<b>1H 2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recovery for doubtful debts and bad debts written off	-	-	-	(3)
Depreciation expense	7,739	8,059	15,644	19,037
Dividend income from held-for-trading investment	(119)	(90)	(119)	(90)
Fair value loss (gain) on held-for-trading investment	5,700	985	(2,553)	2,199
Finance cost	60,497	48,100	120,735	90,883
Interest income	(14,693)	(9,788)	(28,189)	(17,641)
Net gain on disposal of property, plant and equipment	(89)	(264)	(229)	(775)
Net (gain) loss on disposal of investment properties	(384)	65	(601)	(669)
Net foreign exchange (gain) loss	(4,864)	54,403	(100,981)	113,302

## **Revenue and cost of sales**

Driven by an increase in gross floor area (“GFA”) delivered in 2Q 2014, revenue of the Group, net of business tax, increased by 9.1% or RMB126 million to RMB1.509 billion in 2Q 2014 from RMB1.383 billion in 2Q 2013. The increase in revenue was partly offset by a lower average selling price (“ASP”) per square metre (“sqm”) achieved in 2Q 2014 as compared with 2Q 2013 due to the change in product mix composition to include the inaugural delivery of Yanlord Riverbay (Phase 1) (仁恒滨河湾一期) in Chengdu in 2Q 2014, which accounted for 42.9% of the Group’s gross revenue on the sales of properties in 2Q 2014. The Group also reported a higher revenue stream of RMB3.272 billion in 1H 2014 as compared to RMB3.062 billion in 1H 2013, representing an increase of 6.9% or RMB210 million mainly attributable to higher ASP per sqm achieved in 1H 2014 as compared to 1H 2013. Higher ASP per sqm in 1H 2014 was driven by the delivery of a greater percentage of higher-priced project namely, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai, in 1H 2014.



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Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased by RMB185 million and RMB289 million to RMB1.131 billion in 2Q 2014 and RMB2.254 billion in 1H 2014 respectively over the same periods in 2013. The increase in 2Q 2014 was mainly attributable to the increased GFA delivered to customers, while higher cost in 1H 2014 was mainly due to the inclusion of a larger percentage of the higher-priced project as mentioned above with relatively higher development costs in 1H 2014 as compared with 1H 2013.

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 mainly included government subsidies, interest income, fair value gain on held-for-trading investment and net foreign exchange gain, grew by RMB7 million and RMB113 million to RMB19 million in 2Q 2014 and RMB140 million in 1H 2014 respectively as compared with the same periods last year. Excluding the net foreign exchange gain of RMB101 million in 1H 2014 arising mainly from the depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency, other operating income increased by RMB12 million to RMB39 million in 1H 2014 from RMB27 million in 1H 2013 mainly as a result of higher interest income generated in 1H 2014.

## **Selling expenses**

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB6 million and RMB11 million to RMB53 million in 2Q 2014 and RMB103 million 1H 2014 respectively as compared with the corresponding periods in 2013.

## **Administrative expenses**

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange loss. Excluding the net foreign exchange loss of RMB54 million in 2Q 2013 and RMB113 million in 1H 2013, administrative expenses grew to RMB108 million in 2Q 2014 and RMB244 million in 1H 2014 from RMB94 million in 2Q 2013 and RMB221 million in 1H 2013 respectively primarily attributable to higher staff costs and stamp duties as a result of increased payments on construction contracts and registered capital on a newly set-up company.



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## **Other operating expenses**

Other operating expenses were lower at RMB1 million in 2Q 2014 and RMB2 million in 1H 2014 as compared with RMB2 million in 2Q 2013 and RMB4 million in 1H 2013 respectively.

## **Finance cost**

Finance cost, net of capitalised interest, reported higher at RMB60 million in 2Q 2014 and RMB121 million in 1H 2014 as compared with RMB48 million in 2Q 2013 and RMB91 million in 1H 2013 respectively mainly attributable to an increase in interest expense incurred on the Group's completed investment properties. 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 statements of profit or loss for a given period may not be reflective of the Group's actual level of borrowings.

## **Share of (loss) profit of jointly controlled entities ("JCEs")**

Share of loss of JCEs remained stable at RMB2 million in 2Q 2014 and 2Q 2013. In 1H 2014, the Group recorded a commendable growth on its return from JCEs to post a RMB98 million share of profit, reversing a RMB4 million share of loss of JCEs in 1H 2013. This reversal was attributable to the continued growth in contribution from our Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛), an urban development project with a total GFA of approximately 15 square kilometres to be progressively completed in phases.

## **Income tax**

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased to RMB114 million in 2Q 2014 from RMB123 million in 2Q 2013, in tandem with the lower gross profit and profit before income tax in 2Q 2014. 1H 2014 income tax increased slightly by 4.1% to RMB370 million as compared with the same period in 2013.



# 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 2014

	GROUP		COMPANY	
	30.06.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)	30.06.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	853,105	757,334	-	-
Investment properties	8,801,120	8,764,770	-	-
Properties for development	9,849,710	9,960,451	-	-
Investments in subsidiaries	-	-	2,563,403	2,465,544
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	698,167	600,486	-	-
Non-trade amount due from a non-controlling shareholder of a subsidiary	163,129	158,367	-	-
Intangible asset	613	613	-	-
Deferred tax assets	328,320	219,707	-	-
Derivative financial instruments	10,526	20,402	-	-
<b>Total non-current assets</b>	<b>20,704,690</b>	<b>20,482,130</b>	<b>2,563,403</b>	<b>2,465,544</b>
<b>Current assets</b>				
Inventories	45,368	40,830	-	-
Completed properties for sale	5,308,347	4,324,410	-	-
Properties under development for sale	32,078,061	28,640,895	-	-
Trade receivables	38,227	39,213	-	-
Other receivables and deposits	751,699	411,268	2	3
Non-trade amounts due from:				
Subsidiaries	-	-	13,317,989	12,785,666
Associate	366	354	-	-
Jointly controlled entities	-	230	-	-
Non-controlling shareholders of subsidiaries	333,014	376,380	-	-
Other related parties	573	551	-	-
Held-for-trading investment	13,613	11,056	-	-
Pledged bank deposits	31,200	29,643	-	-
Cash and cash equivalents	5,332,815	7,082,045	5,499	6,894
<b>Total current assets</b>	<b>43,933,283</b>	<b>40,956,875</b>	<b>13,323,490</b>	<b>12,792,563</b>
<b>Total assets</b>	<b>64,637,973</b>	<b>61,439,005</b>	<b>15,886,893</b>	<b>15,258,107</b>



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	GROUP		COMPANY	
	30.06.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)	30.06.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and reserves</b>				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	10,654,913	10,667,853	214,318	(346,090)
Equity attributable to equity holders of the Company	17,916,639	17,929,579	7,476,044	6,915,636
Non-controlling interests	9,557,087	9,928,798	-	-
<b>Total capital and reserves</b>	<b>27,473,726</b>	<b>27,858,377</b>	<b>7,476,044</b>	<b>6,915,636</b>
<b>Non-current liabilities</b>				
Bank loans – due after one year	9,103,131	7,535,512	68,963	293,138
Senior notes	6,377,909	6,185,391	4,397,535	4,209,800
Deferred tax liabilities	1,326,359	1,363,647	-	-
Non-trade amount due to a non-controlling shareholder of subsidiaries	20,000	20,000	-	-
<b>Total non-current liabilities</b>	<b>16,827,399</b>	<b>15,104,550</b>	<b>4,466,498</b>	<b>4,502,938</b>
<b>Current liabilities</b>				
Bank loans – due within one year	3,510,228	3,262,391	-	-
Convertible notes	347,647	326,261	347,647	326,261
Trade payables	4,646,844	5,077,788	-	-
Other payables	8,982,204	6,608,820	95,405	107,009
Non-trade amounts due to:				
Subsidiary	-	-	3,234,357	3,249,140
Ultimate holding company	265,947	133,741	265,947	133,741
Directors	995	23,382	995	23,382
Non-controlling shareholders of subsidiaries	357,173	153,427	-	-
Other related parties	2,407	-	-	-
Income tax payable	2,223,403	2,890,268	-	-
<b>Total current liabilities</b>	<b>20,336,848</b>	<b>18,476,078</b>	<b>3,944,351</b>	<b>3,839,533</b>
<b>Total equity and liabilities</b>	<b>64,637,973</b>	<b>61,439,005</b>	<b>15,886,893</b>	<b>15,258,107</b>



# YANLORD LAND GROUP LIMITED

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

	<b>GROUP</b>	
	<b>As at 30.06.2014</b>	<b>As at 31.12.2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,798,744	1,685,313
Unsecured	2,416,439	2,125,727
Sub-total 1	4,215,183	3,811,040
Amount repayable after one year:-		
Secured	6,812,346	6,143,142
Unsecured	8,668,694	7,577,761
Sub-total 2	15,481,040	13,720,903
Total debt	19,696,223	17,531,943

### 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 June 2014

	2Q 2014	2Q 2013	1H 2014	1H 2013
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities</b>				
Profit before income tax	172,621	201,967	786,226	599,584
Adjustments for:				
Recovery for doubtful debts and bad debts written off	-	-	-	(3)
Depreciation expense	7,739	8,059	15,644	19,037
Dividend income from held-for-trading investment	(119)	(90)	(119)	(90)
Fair value loss (gain) on held-for-trading investment	5,700	985	(2,553)	2,199
Finance cost	60,497	48,100	120,735	90,883
Interest income	(14,693)	(9,788)	(28,189)	(17,641)
Net gain on disposal of property, plant and equipment	(89)	(264)	(229)	(775)
Net (gain) loss on disposal of investment properties	(384)	65	(601)	(669)
Share of loss (profit) of jointly controlled entities	1,872	1,515	(97,681)	3,894
Operating cash flows before movements in working capital	233,144	250,549	793,233	696,419
Properties for development	(833,312)	(170,324)	(2,480,908)	(773,054)
Inventories	(6,952)	(3,609)	(4,434)	(2,221)
Completed properties for sale	223,611	330,296	1,265,201	1,263,647
Properties under development for sale	(456,328)	(1,119,197)	(2,375,108)	(2,403,482)
Trade and other receivables and deposits	(133,844)	(57,520)	(324,178)	(163,824)
Trade and other payables	1,414,198	1,642,233	1,938,162	1,999,970
Cash generated from (used in) operations	440,517	872,428	(1,188,032)	617,455



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	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>1H 2014</b>	<b>1H 2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Interest paid	(312,656)	(246,570)	(631,021)	(524,978)
Income tax paid	(447,238)	(468,492)	(1,182,505)	(901,948)
Net cash (used in) from operating activities	(319,377)	157,366	(3,001,558)	(809,471)
<b>Investing activities</b>				
Investments in jointly controlled entities	-	-	-	(177,131)
Dividend received from held-for-trading investment	119	90	119	90
Interest received	9,840	7,459	30,409	13,269
Increase in pledged bank deposits	(3,704)	(12,146)	(1,557)	(14,630)
Proceeds on disposal of property, plant and equipment	238	444	742	1,422
Proceeds on disposal of investment properties	2,211	7,967	4,214	13,848
Purchase of property, plant and equipment	(63,281)	(22,944)	(113,181)	(41,015)
Payment for investment properties	(54,004)	(61,187)	(75,680)	(80,744)
Advance to an associate	-	(137)	(12)	(154)
(Advance to) Repayment from jointly controlled entities	-	(230)	230	(243)
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(1,452)	(139,374)	47,729	(159,421)
Net cash used in investing activities	(110,033)	(220,058)	(106,987)	(444,709)
<b>Financing activities</b>				
Dividends paid	(125,097)	(181,363)	(125,097)	(181,363)
Dividends paid to non-controlling shareholders of subsidiaries	(135,659)	(18,000)	(360,387)	(374,000)
Net proceeds on issue of senior notes	1,966,685	1,969,864	1,966,685	1,969,864
Proceeds from bank loans	2,301,799	1,451,121	4,075,813	3,133,580
Repayment of bank loans	(1,865,460)	(2,037,176)	(2,304,225)	(2,580,675)



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	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>1H 2014</b>	<b>1H 2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Redemption of senior notes	(1,946,776)	-	(1,946,776)	-
Repayment to directors	(1,495)	(30,927)	(1,011)	(30,423)
(Repayment to) Advance from ultimate holding company	(333,289)	(88,432)	98,338	(88,432)
Advance from non-controlling shareholders of subsidiaries	-	15,300	379	15,300
Advance from other related parties	1,946	-	2,407	-
Cash injection from non-controlling shareholders of subsidiaries	55,537	-	55,537	53,631
<b>Net cash (used in) from financing activities</b>	<b>(81,809)</b>	<b>1,080,387</b>	<b>1,461,663</b>	<b>1,917,482</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(511,219)</b>	<b>1,017,695</b>	<b>(1,646,882)</b>	<b>663,302</b>
Cash and cash equivalents at beginning of period	5,872,667	3,225,891	7,082,045	3,540,577
Effect of exchange rate changes on the balance of cash held in foreign currencies	(28,633)	24,859	(102,348)	64,566
<b>Cash and cash equivalents at end of period</b>	<b>5,332,815</b>	<b>4,268,445</b>	<b>5,332,815</b>	<b>4,268,445</b>



# 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 2014

	2Q 2014	2Q 2013	1H 2014	1H 2013
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the period</b>	58,185	78,645	416,488	244,440
<b>Other comprehensive (expense) income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(29,489)	130,200	(176,927)	206,075
Cash flow hedge	137	(24,573)	8,274	(24,573)
<b>Other comprehensive (expense) income for the period</b>	(29,352)	105,627	(168,653)	181,502
<b>Total comprehensive income for the period</b>	28,833	184,272	247,835	425,942
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(14,543)	112,064	112,157	255,283
Non-controlling interests	43,376	72,208	135,678	170,659
	28,833	184,272	247,835	425,942



# YANLORD LAND GROUP LIMITED

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## Unaudited Company Statements of Comprehensive Income for the Period Ended 30 June 2014

	2Q 2014	2Q 2013	1H 2014	1H 2013
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the period</b>	368,099	1,151,852	409,872	941,837
<b>Other comprehensive income (expense):</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	56,318	(240,874)	275,633	(360,061)
<b>Other comprehensive income (expense) for the period</b>	56,318	(240,874)	275,633	(360,061)
<b>Total comprehensive income for the period</b>	424,417	910,978	685,505	581,776
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	424,417	910,978	685,505	581,776
Non-controlling interests	-	-	-	-
	424,417	910,978	685,505	581,776



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YANLORD

# YANLORD LAND GROUP LIMITED

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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 2014

	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
<b>Balance at 1 January 2014</b>	7,261,726	(110,114)	181,505	963,718	(1,834,019)	4,778	(337,230)	11,799,215	17,929,579	9,928,798	27,858,377
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	266,001	266,001	92,302	358,303
Other comprehensive expense for the period	-	(147,438)	-	-	-	8,137	-	-	(139,301)	-	(139,301)
<b>Total</b>	<b>-</b>	<b>(147,438)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,137</b>	<b>-</b>	<b>266,001</b>	<b>126,700</b>	<b>92,302</b>	<b>219,002</b>
Transactions with owners, recognised directly in equity:											
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(352,281)	(352,281)
Appropriations	-	-	-	16,609	-	-	-	(16,609)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,609)</b>	<b>-</b>	<b>(352,281)</b>	<b>(352,281)</b>
<b>Balance at 31 March 2014</b>	<b>7,261,726</b>	<b>(257,552)</b>	<b>181,505</b>	<b>980,327</b>	<b>(1,834,019)</b>	<b>12,915</b>	<b>(337,230)</b>	<b>12,048,607</b>	<b>18,056,279</b>	<b>9,668,819</b>	<b>27,725,098</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	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:											
Profit for the period	-	-	-	-	-	-	-	14,809	14,809	43,376	58,185
Other comprehensive expense for the period	-	(29,489)	-	-	-	137	-	-	(29,352)	-	(29,352)
<b>Total</b>	<b>-</b>	<b>(29,489)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>-</b>	<b>14,809</b>	<b>(14,543)</b>	<b>43,376</b>	<b>28,833</b>
Transactions with owners, recognised directly in equity:											
Capital injection by non-controlling shareholders											
	-	-	-	-	-	-	-	-	-	55,537	55,537
Dividends											
	-	-	-	-	-	-	-	(125,097)	(125,097)	-	(125,097)
Dividend declared to non-controlling shareholders											
	-	-	-	-	-	-	-	-	-	(210,645)	(210,645)
Appropriations											
	-	-	-	39,492	-	-	-	(39,492)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(164,589)</b>	<b>(125,097)</b>	<b>(155,108)</b>	<b>(280,205)</b>
<b>Balance at 30 June 2014</b>	<b>7,261,726</b>	<b>(287,041)</b>	<b>181,505</b>	<b>1,019,819</b>	<b>(1,834,019)</b>	<b>13,052</b>	<b>(337,230)</b>	<b>11,898,827</b>	<b>17,916,639</b>	<b>9,557,087</b>	<b>27,473,726</b>



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YANLORD

# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## 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
<b>Balance at 1 January 2013</b>	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:											
Profit for the period	-	-	-	-	-	-	-	67,305	67,305	98,490	165,795
Other comprehensive income for the period	-	75,914	-	-	-	-	-	-	75,914	(39)	75,875
<b>Total</b>	<b>-</b>	<b>75,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,305</b>	<b>143,219</b>	<b>98,451</b>	<b>241,670</b>
Transactions with owners, recognised directly in equity:											
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)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,312)</b>	<b>-</b>	<b>(302,369)</b>	<b>(302,369)</b>
<b>Balance at 31 March 2013</b>	<b>7,261,726</b>	<b>(336,858)</b>	<b>181,505</b>	<b>847,285</b>	<b>(1,834,019)</b>	<b>-</b>	<b>(337,230)</b>	<b>10,690,563</b>	<b>16,472,972</b>	<b>10,149,585</b>	<b>26,622,557</b>





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YANLORD

# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	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											
Profit for the year	-	-	-	-	-	-	-	6,437	6,437	72,208	78,645
Other comprehensive income for the period	-	130,200	-	-	-	(24,573)	-	-	105,627	-	105,627
<b>Total</b>	<b>-</b>	<b>130,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,573)</b>	<b>-</b>	<b>6,437</b>	<b>112,064</b>	<b>72,208</b>	<b>184,272</b>
Transactions with owners, recognised directly in equity											
Dividends	-	-	-	-	-	-	-	(181,363)	(181,363)	-	(181,363)
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	(18,000)	(18,000)
Appropriations	-	-	-	(1,144)	-	-	-	1,144	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,144)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(180,219)</b>	<b>(181,363)</b>	<b>(18,000)</b>	<b>(199,363)</b>
<b>Balance at 30 June 2013</b>	<b>7,261,726</b>	<b>(206,658)</b>	<b>181,505</b>	<b>846,141</b>	<b>(1,834,019)</b>	<b>(24,573)</b>	<b>(337,230)</b>	<b>10,516,781</b>	<b>16,403,673</b>	<b>10,203,793</b>	<b>26,607,466</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2014

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated (losses) profits RMB'000	Total RMB'000
<b>Balance at 1 January 2014</b>	7,261,726	(289,082)	181,505	(238,513)	6,915,636
Total comprehensive income for the period:					
Profit for the period	-	-	-	41,773	41,773
Other comprehensive income for the period	-	219,315	-	-	219,315
<b>Total</b>	<b>-</b>	<b>219,315</b>	<b>-</b>	<b>41,773</b>	<b>261,088</b>
<b>Balance at 31 March 2014</b>	<b>7,261,726</b>	<b>(69,767)</b>	<b>181,505</b>	<b>(196,740)</b>	<b>7,176,724</b>
Total comprehensive income for the period:					
Profit for the period	-	-	-	368,099	368,099
Other comprehensive income for the period	-	56,318	-	-	56,318
<b>Total</b>	<b>-</b>	<b>56,318</b>	<b>-</b>	<b>368,099</b>	<b>424,417</b>
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(125,097)	(125,097)
<b>Balance at 30 June 2014</b>	<b>7,261,726</b>	<b>(13,449)</b>	<b>181,505</b>	<b>46,262</b>	<b>7,476,044</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## 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
<b>Balance at 1 January 2013</b>	7,261,726	162,137	181,505	(723,305)	6,882,063
Total comprehensive expense for the period:					
Loss for the period	-	-	-	(210,015)	(210,015)
Other comprehensive expense for the period	-	(119,187)	-	-	(119,187)
<b>Total</b>	<b>-</b>	<b>(119,187)</b>	<b>-</b>	<b>(210,015)</b>	<b>(329,202)</b>
<b>Balance at 31 March 2013</b>	<b>7,261,726</b>	<b>42,950</b>	<b>181,505</b>	<b>(933,320)</b>	<b>6,552,861</b>
Total comprehensive income for the period:					
Profit for the period	-	-	-	1,151,852	1,151,852
Other comprehensive expense for the period	-	(240,874)	-	-	(240,874)
<b>Total</b>	<b>-</b>	<b>(240,874)</b>	<b>-</b>	<b>1,151,852</b>	<b>910,978</b>
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(181,363)	(181,363)
<b>Balance at 30 June 2013</b>	<b>7,261,726</b>	<b>(197,924)</b>	<b>181,505</b>	<b>37,169</b>	<b>7,282,476</b>



# YANLORD LAND GROUP LIMITED

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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 2014, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 March 2014: 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 2013	1,948,736	7,261,726
As at 1 April 2014 and 30 June 2014	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 and with effect from 6 June 2014, from S\$2.52 to S\$2.49 per share.

In July 2012, the holders of S\$305 million outstanding Notes 2014 exercised their put options. As of 30 June 2014, RMB348 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.



# YANLORD LAND GROUP LIMITED

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Based on the conversion price of S\$2.49 (30 June 2013: S\$2.52) per share and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 28,112,449 shares as at 30 June 2014 (30 June 2013: 27,777,777 shares).

## Treasury Shares

The Company did not hold any treasury shares as at 30 June 2014 and 30 June 2013.

**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 2014 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.



# YANLORD LAND GROUP LIMITED

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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 2013, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2014.

#### 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

Please refer to Note 4 and the audited financial statements for the year ended 31 December 2013 for more information.

#### 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 2014 (Unaudited)	2Q 2013 (Unaudited)	1H 2014 (Unaudited)	1H 2013 (Unaudited)
<b>EPS based on Group's profit attributable to equity holders of the Company:</b>				
<b>(i) On the weighted average</b>				
number of shares (RMB)	0.76 cents	0.33 cents	14.41 cents	3.78 cents
<b>- Weighted average number of shares ('000)</b>				
	1,948,736	1,948,736	1,948,736	1,948,736
<b>(ii) On a fully diluted basis (RMB)</b>				
<b>- Adjusted weighted average</b>				
number of shares ('000)	1,948,736	1,948,736	1,976,560	1,948,736



# YANLORD LAND GROUP LIMITED

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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	
	30.06.2014 (Unaudited)	31.12.2013 (Unaudited)	30.06.2014 (Unaudited)	31.12.2013 (Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period / year (RMB)</b>	9.19	9.20	3.84	3.55

**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 2014 vs. 2Q 2013**

The Group achieved a 9.1% or RMB126 million growth in revenue to RMB1.509 billion in 2Q 2014 over the same period in 2013 primarily due to the higher GFA delivered despite the lower ASP per sqm achieved as a result of the change in composition of product mix as mentioned above in Note 1(a). The higher revenue stream was mainly driven by the delivery of Yanlord Riverbay (Phase 1) (仁恒滨河湾一期) in Chengdu, 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) and Bayside Gardens (御澜湾苑) in Shanghai, which accounted for 42.9%, 23.2%, 10.4%, 6.3% and 5.6% respectively to the Group's gross revenue from the sales of properties in 2Q 2014.

Gross profit and gross profit margin decreased to RMB378 million and 25.0% in 2Q 2014 from RMB437 million and 31.6% in 2Q 2013 respectively, principally attributable to the inclusion of a large portion of revenue generated from a new project with relatively lower margin in its inaugural delivery. As compared with 18.2% in 2Q 2013, revenue generated from the inaugural delivery of the new project in 2Q 2014 accounted for 42.9% of the Group's gross revenue.



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Profit before income tax and its margin were lower at RMB173 million and 11.4% in 2Q 2014 as compared to RMB202 million and 14.6% in 2Q 2013 respectively, in-line with the movement of gross profit.

Hence, profit for the period and its margin were lower at RMB58 million and 3.9% in 2Q 2014 as compared to RMB79 million and 5.7% in 2Q 2013 respectively.

## **1H 2014 vs. 1H 2013**

Higher ASP per sqm achieved and GFA delivered drove the increase in the Group's revenue to RMB3.272 billion in 1H 2014 from RMB3.062 billion in 1H 2013, which represented a 6.9% or RMB210 million growth as compared with 1H 2013. The overall increase in ASP per sqm was mainly attributable to the change in composition of product mix delivered as mentioned above in Note 1(a). The Group continued to receive positive market responses in 1H 2014, each of the five existing developments delivered in 1H 2014 as mentioned below reported higher ASP per sqm over the same period last year, which in return contributed mainly to the overall higher ASP per sqm in 1H 2014 as compared with 1H 2013. The major contributors to 1H 2014 revenue stream included the inaugural delivery of Yanlord Riverbay (Phase 1) (仁恒滨河湾一期) in Chengdu, as well as five existing projects including 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, 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 represented 19.6%, 22.9%, 11.7%, 15.1%, 14.5% and 4.8% respectively of the Group's gross revenue on property sales in 1H 2014.

The Group's gross profit and gross profit margin were lower at RMB1.018 billion and 31.1% in 1H 2014 as compared with RMB1.097 billion and 35.8% in 1H 2013 respectively primarily due to the change in product mix composition which included the inaugural delivery of lower margin units in Yanlord Riverbay (Phase 1) (仁恒滨河湾一期) in Chengdu. The gross profit margin of the five existing projects delivered in 1H 2014 as mentioned above saw positive growth as compared with 1H 2013 as a result of the higher ASP per sqm achieved for these projects.

Profit before income tax increased to RMB786 million in 1H 2014 from RMB600 million in 1H 2013 mainly attributable to net foreign exchange effect and profit contribution from JCEs as mentioned above in Note 1(a) partly offset by the lower gross profit in 1H 2014. Profit before income tax margin grew to 24.0% in 1H 2014 from 19.6% in 1H 2013, in-line with the increased profit before income tax.





# YANLORD LAND GROUP LIMITED

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Profit for the period increased to RMB416 million in 1H 2014 from RMB244 million in 1H 2013, while profit for the period margin was higher at 12.7% in 1H 2014 as compared with 8.0% in 1H 2013.

**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**

### Other payables

Other payables, which mainly included advances received from customers, increased by 35.9% or RMB2.373 billion to RMB8.982 billion as at 30 June 2014 from RMB6.609 billion as at 31 December 2013 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 net cash outflow of RMB319 million in 2Q 2014 and RMB3.002 billion in 1H 2014 as compared with net cash inflow of RMB157 million in 2Q 2013 and net cash outflow of RMB809 million in 1H 2013 respectively, primarily due to increases in landbank and construction cost payments partly offset by higher advances received from customers in current reporting periods over the same periods last year. The Group continued to expand its landbank. Following 1Q 2014 final landbank payment on Nanjing Eco Hi-tech Island - Land Parcel G73 (南京生态科技岛 – G73 地块), the Group paid for a land parcel which was newly acquired in 2Q 2014 namely, Suzhou Gao Xin Land Parcel (苏州高新地块).

### Net bank loan drawdown

In-line with our increase in fund used in operating activities, the Group recorded net bank loan drawdown of RMB436 million in 2Q 2014 and RMB1.772 billion in 1H 2014 as compared with net bank loan repayment of RMB586 million in 2Q 2013 and net bank loan drawdown of RMB553 million in 1H 2013.



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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

Uncertainties about the growth prospects of the People's Republic of China ("PRC") economy coupled with a tighter credit environment in the first half of FY 2014 weighed on the general sentiments towards the PRC real estate sector. To better mitigate against potential weaknesses which may arise, the PRC central bank has in recent months introduced various credit easing measures such as relaxation on bank reserve ratio requirements and has indicated its continued support for end-user housing demand.

### COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 30 June 2014, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB7.654 billion, with a total pre-sale amount of RMB10.814 billion.

The Group will continue to launch new projects and new batches of its existing projects in 3Q 2014 namely, Yanlord Riverbay (Phase 2) (仁恒滨河湾二期) in Chengdu, Yanlord Rosemite (仁恒峦山美地花园) in Shenzhen, Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) in Shanghai, Tangshan Nanhu Eco-City - Land Parcels A9 and A19 (唐山南湖生态城 - A9及A19地块) and Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园二期) in Tianjin as well as Tianjin Jinnan Land (Phase 1 and 2) (景新花园一期及二期).



# YANLORD LAND GROUP LIMITED

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## 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 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 pre-sale units 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.



# YANLORD LAND GROUP LIMITED

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## 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 2014 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 2014