



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER ENDED 31 MARCH 2016 FINANCIAL STATEMENTS ANNOUNCEMENT

### TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
1(a)	Unaudited Consolidated Statements of Profit or Loss	2-5
1(b)(i)	Statements of Financial Position	6-7
1(b)(ii)	Aggregate Amount of Group's Borrowings and Debt Securities	8
1(c)	Unaudited Consolidated Statements of Cash Flows	9-10
1(d)	Unaudited Statements of Comprehensive Income	11
1(e)(i)	Unaudited Statements of Changes in Equity	12-14
1(e)(ii)(iii)(iv)	Details of Any Changes in Company's Issued Share Capital	15
2&3	Audit Statement	16
4&5	Changes in Accounting Policies	16
6	Earnings per Share	17
7	Net Asset Value per Share	17
8	Review of Performance	18-19
9	Variance from Previous Forecast or Prospect Statement	19
10	Outlook and Prospects	20-21
11&12	Dividend	21
13	Interested Person Transactions Mandate	21
14	Confirmation of the Board of Directors	22
15	Undertakings under Rule 720(1)	22



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

### 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 31 March 2016

	1Q 2016	1Q 2015	% Change + / (-)
	RMB'000	RMB'000	
Revenue	2,853,446	1,010,752	182
Cost of sales	(2,036,613)	(578,969)	252
<b>Gross profit</b>	816,833	431,783	89
Other operating income	184,041	158,555	16
Selling expenses	(93,421)	(74,988)	25
Administrative expenses	(160,563)	(239,361)	(33)
Other operating expenses	(1,745)	(1,327)	31
Finance cost	(77,141)	(55,097)	40
Share of loss of joint ventures	(5,958)	(1,874)	218
<b>Profit before income tax</b>	662,046	217,691	204
Income tax	(262,225)	(139,274)	88
<b>Profit for the period</b>	399,821	78,417	410
<b>Profit attributable to:</b>			
Owners of the Company	260,139	15,455	1,583
Non-controlling interests	139,682	62,962	122
	399,821	78,417	410



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	<b>1Q 2016</b>	<b>1Q 2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Depreciation expense	7,741	8,081
Fair value gain on investment properties	-	(125,917)
Fair value gain on held-for-trading investment	(5,967)	(1,070)
Finance cost	77,141	55,097
Interest income	(47,669)	(25,211)
Net gain on disposal of property, plant and equipment	(1,420)	(49)
Net (gain) loss on disposal of investment properties	(2,002)	956
Net foreign exchange (gain) loss	(119,799)	96,765

## **Revenue and cost of sales**

The Group achieved a 182.3% or RMB1.843 billion growth in its revenue, net of business tax, to RMB2.853 billion in 1Q 2016 from RMB1.011 billion in 1Q 2015 mainly attributable to a considerable increase in gross floor area (“GFA”) delivered to customers and an increase in average selling price (“ASP”) per square metre (“sqm”) in current reporting period as compared with the same period in 2015. Higher ASP per sqm achieved in 1Q 2016 was primarily due to the change in composition of product mix delivered to customers to include a greater portion of relatively higher-priced projects namely, Yanlord Western Gardens (仁恒西郊雅苑) and Yanlord Sunland Gardens (Phase 1 and 2) (仁恒森兰雅苑一期及二期) in Shanghai, which collectively accounted for 58.6% of the Group's gross revenue from sales of properties in 1Q 2016.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, grew by 251.8% or RMB1.458 billion to RMB2.037 billion in 1Q 2016, in-line with the growth in revenue stream as a result of the increase in GFA delivered in current reporting period over the respective period last year.

Other contributors to the Group's revenue mainly included resettlement service fee income, rental of investment properties as well as provision of property management services and other ancillary services. Since 1Q 2015, the Group has recognised the resettlement service fee income derived from the resettlement deals for a land parcel adjacent to our integrated commercial development - Yanlord Landmark (仁恒置地广场) in Chengdu. Lower resettlement service fee income in 1Q 2016 as compared to 1Q 2015 partly offset the increase in the Group's revenue in 1Q 2016 over the same period in 2015.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## **Other operating income**

In 1Q 2016, the other operating income was generated primarily from the net foreign exchange gain of RMB120 million arising mainly from the effect of depreciation of US\$ against S\$ on the Company's US\$ denominated senior notes. The income in 1Q 2015 derived mainly from the fair value gain on investment properties of RMB126 million. Increase in interest income in 1Q 2016 as compared to 1Q 2015 also partly contributed to the higher other operating income reported by the Group in 1Q 2016.

## **Selling expenses**

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB18 million to RMB93 million in 1Q 2016 mainly due to increase in staff costs as a result of the increase in the sales locations and marketing personnel in current reporting period as compared with the same period in 2015.

## **Administrative expenses**

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, other taxes, depreciation, bank charges and net foreign exchange loss. Excluding net foreign exchange loss of RMB97 million in 1Q 2015, administrative expenses increased by RMB18 million to RMB161 million in 1Q 2016 as compared with RMB143 million in 1Q 2015 mainly due to the increase in general staff costs to support the continuing growth of the Group's business.

## **Finance cost**

Finance cost, net of capitalised interest, grew by RMB22 million to RMB77 million in 1Q 2016 as compared with RMB55 million in 1Q 2015 mainly due to the increases in interest expense incurred on the Group's completed properties for sale and new bank loan drawdown. The latter was charged to finance cost in the statements of profit or loss before the funds were utilised to finance the development of the Group's properties. The increase in finance cost in 1Q 2016 was partly offset by a decrease in interest expense incurred on completed investment properties as a result of a decrease in loan balances in relation to 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.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## **Share of loss of joint ventures**

Share of loss of joint ventures represented contributions from our Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛), an urban redevelopment project to be progressively completed in phases, as well as a joint venture project in Tangshan Nanhu Eco-City (唐山南湖生态城), a property development project jointly invested with HB Investments (China) Pte. Ltd.. Share of loss of joint ventures was RMB6 million in 1Q 2016 as compared with RMB2 million in 1Q 2015, which mainly represented operation expenses of the two joint investment projects.

## **Income tax**

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, increased by RMB123 million to RMB262 million in 1Q 2016 from RMB139 million in 1Q 2015, in-line with the increase in revenue and profit before income tax.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

## Statements of Financial Position as at 31 March 2016

	GROUP		COMPANY	
	31.03.2016 RMB'000 (Unaudited)	31.12.2015 RMB'000 (Audited)	31.03.2016 RMB'000 (Unaudited)	31.12.2015 RMB'000 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,558,825	1,549,547	-	-
Investment properties	11,652,754	11,566,890	-	-
Properties for development	4,896,876	4,115,661	-	-
Investments in subsidiaries	-	-	2,467,553	2,364,026
Investment in an associate	-	-	-	-
Investments in joint ventures	1,091,783	1,093,544	-	-
Other receivables	1,169,259	529,704	-	-
Non-trade amount due from non-controlling shareholders of subsidiaries	389,153	383,115	-	-
Intangible asset	613	613	-	-
Deferred tax assets	516,252	501,444	-	-
<b>Total non-current assets</b>	<b>21,275,515</b>	<b>19,740,518</b>	<b>2,467,553</b>	<b>2,364,026</b>
<b>Current assets</b>				
Inventories	67,814	58,726	-	-
Completed properties for sale	5,299,143	7,269,346	-	-
Properties under development for sale	32,275,986	31,287,170	-	-
Trade receivables	20,071	30,551	-	-
Other receivables and deposits	4,542,514	2,619,672	5,262	1
Non-trade amounts due from:				
Subsidiaries	-	-	13,187,542	12,461,137
Associate	458	434	-	-
Joint ventures	533,387	522,372	-	-
Non-controlling shareholders of subsidiaries	465,965	261,627	-	-
Other related parties	583	587	-	-
Income tax prepayment	948,742	518,545	-	-
Held-for-trading investment	25,311	19,510	-	-
Pledged bank deposits	52,568	51,367	-	-



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	GROUP		COMPANY	
	31.03.2016 RMB'000 (Unaudited)	31.12.2015 RMB'000 (Audited)	31.03.2016 RMB'000 (Unaudited)	31.12.2015 RMB'000 (Audited)
Cash and cash equivalents	16,522,053	17,516,991	1,862	10,687
Total current assets	60,754,595	60,156,898	13,194,666	12,471,825
<b>Total assets</b>	<b>82,030,110</b>	<b>79,897,416</b>	<b>15,662,219</b>	<b>14,835,851</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital, reserves and non-controlling interests</b>				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	13,235,635	13,073,343	(280,518)	(594,366)
Equity attributable to owners of the Company	20,497,361	20,335,069	6,981,208	6,667,360
Non-controlling interests	10,141,455	10,199,385	-	-
Total equity	30,638,816	30,534,454	6,981,208	6,667,360
<b>Non-current liabilities</b>				
Bank loans – due after one year	7,530,220	8,022,065	-	264,894
Senior notes	4,472,434	4,401,192	4,472,434	4,401,192
Deferred tax liabilities	1,962,942	1,959,037	-	-
Total non-current liabilities	13,965,596	14,382,294	4,472,434	4,666,086
<b>Current liabilities</b>				
Bank loans – due within one year	2,410,691	3,971,322	-	-
Senior notes	1,869,623	1,867,109	-	-
Trade payables	6,260,397	7,747,525	-	-
Other payables	23,920,563	17,956,456	49,992	96,241
Non-trade amounts due to:				
Subsidiary	-	-	4,132,967	3,382,080
Directors	27,805	24,134	25,618	24,084
Non-controlling shareholders of subsidiaries	166,678	157,169	-	-
Other related parties	22,753	9,854	-	-
Income tax payable	2,641,788	3,101,863	-	-
Derivative financial instruments	105,400	145,236	-	-
Total current liabilities	37,425,698	34,980,668	4,208,577	3,502,405
<b>Total equity and liabilities</b>	<b>82,030,110</b>	<b>79,897,416</b>	<b>15,662,219</b>	<b>14,835,851</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	<b>GROUP</b>	
	<b>As at 31.03.2016</b>	<b>As at 31.12.2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,628,500	3,238,630
Unsecured	2,777,440	2,725,906
Sub-total 1	4,405,940	5,964,536
Amount repayable after one year:-		
Secured	4,389,676	3,980,732
Unsecured	7,612,978	8,442,525
Sub-total 2	12,002,654	12,423,257
Total debt	16,408,594	18,387,793

### 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 and completed properties for sale.





# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

## Unaudited Consolidated Statements of Cash Flows for the Period Ended 31 March 2016

	1Q 2016	1Q 2015
	RMB'000	RMB'000
<b>Operating activities</b>		
Profit before income tax	662,046	217,691
Adjustments for:		
Depreciation expense	7,741	8,081
Fair value gain on investment properties	-	(125,917)
Fair value gain on held-for-trading investment	(5,967)	(1,070)
Finance cost	77,141	55,097
Interest income	(47,669)	(25,211)
Net gain on disposal of property, plant and equipment	(1,420)	(49)
Net (gain) loss on disposal of investment properties	(2,002)	956
Share of loss of joint ventures	5,958	1,874
Operating cash flows before movements in working capital	695,828	131,452
Properties for development	(858,644)	(178,769)
Inventories	(9,028)	(23,501)
Completed properties for sale	1,970,203	532,406
Properties under development for sale	(716,294)	(1,449,321)
Trade and other receivables and deposits	(1,930,396)	(548,978)
Trade and other payables	4,546,069	2,138,113
Cash generated from operations	3,697,738	601,402
Interest paid	(297,889)	(322,735)
Income tax paid	(1,163,400)	(490,627)
Net cash from (used in) operating activities	2,236,449	(211,960)



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	<b>1Q 2016</b>	<b>1Q 2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Investing activities</b>		
Interest received	33,973	25,351
Increase in pledged bank deposits	(1,201)	(22,340)
Proceeds on disposal of property, plant and equipment	3,859	144
Proceeds on disposal of investment properties	13,691	8,047
Payment for property, plant and equipment	(20,022)	(184,745)
Payment for investment properties	(97,553)	(60,860)
Advance to an associate	(24)	(22)
Advance to joint ventures	(8,991)	-
Advance to non-controlling shareholders of subsidiaries	(200,825)	(53,358)
Advance to a planned joint venture project	(652,750)	-
Net cash used in investing activities	<u>(929,843)</u>	<u>(287,783)</u>
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders of subsidiaries	(197,612)	(225,425)
Proceeds from bank loans	1,334,981	748,756
Repayment of bank loans	(3,400,190)	(644,780)
Advance from directors	2,602	456
Advance from ultimate holding company	-	253,200
Advance from non-controlling shareholders of subsidiaries	9,989	8,160
Advance from other related parties	12,899	399
Net cash (used in) from financing activities	<u>(2,237,331)</u>	<u>140,766</u>
Net decrease in cash and cash equivalents	(930,725)	(358,977)
Cash and cash equivalents at beginning of period	17,516,991	6,590,084
Effect of exchange rate changes on the balance of cash held in foreign currencies	(64,213)	(21,591)
<b>Cash and cash equivalents at end of period</b>	<b><u>16,522,053</u></b>	<b><u>6,209,516</u></b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

## Unaudited Statements of Comprehensive Income for the Period Ended 31 March 2016

	GROUP		COMPANY	
	1Q 2016 RMB'000	1Q 2015 RMB'000	1Q 2016 RMB'000	1Q 2015 RMB'000
<b>Profit (loss) for the period</b>	399,821	78,417	21,252	(201,417)
<b>Other comprehensive (expense) income:</b>				
<u>Items that may be reclassified subsequently</u>				
<u>to profit or loss:</u>				
Currency translation difference	(128,175)	115,063	292,596	(230,588)
Cash flow hedge	30,328	(53,665)	-	-
<b>Other comprehensive (expense) income for the period, net of tax</b>	<b>(97,847)</b>	<b>61,398</b>	<b>292,596</b>	<b>(230,588)</b>
<b>Total comprehensive income (expense) for the period</b>	<b>301,974</b>	<b>139,815</b>	<b>313,848</b>	<b>(432,005)</b>
<b>Total comprehensive income (expense) attributable to:</b>				
Owners of the Company	162,292	76,853	313,848	(432,005)
Non-controlling interests	139,682	62,962	-	-
	<b>301,974</b>	<b>139,815</b>	<b>313,848</b>	<b>(432,005)</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2016

	Share capital	Currency translation reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2016</b>	7,261,726	(278,335)	1,244,034	(1,834,019)	(36,361)	(337,196)	14,315,220	20,335,069	10,199,385	30,534,454
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	260,139	260,139	139,682	399,821
Other comprehensive expense for the period	-	(128,175)	-	-	30,328	-	-	(97,847)	-	(97,847)
<b>Total</b>	<b>-</b>	<b>(128,175)</b>	<b>-</b>	<b>-</b>	<b>30,328</b>	<b>-</b>	<b>260,139</b>	<b>162,292</b>	<b>139,682</b>	<b>301,974</b>
Transactions with owners, recognised directly in equity:										
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(197,612)	(197,612)
Appropriations	-	-	34,685	-	-	-	(34,685)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>34,685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,685)</b>	<b>-</b>	<b>(197,612)</b>	<b>(197,612)</b>
<b>Balance at 31 March 2016</b>	<b>7,261,726</b>	<b>(406,510)</b>	<b>1,278,719</b>	<b>(1,834,019)</b>	<b>(6,033)</b>	<b>(337,196)</b>	<b>14,540,674</b>	<b>20,497,361</b>	<b>10,141,455</b>	<b>30,638,816</b>



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# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2015

	Share capital	Currency translation reserve	Equity reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2015</b>	7,261,726	(87,895)	1,075,491	(1,834,019)	(7,094)	(337,230)	13,128,612	19,199,591	9,862,213	29,061,804
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	15,455	15,455	62,962	78,417
Other comprehensive income for the period	-	115,063	-	-	(53,665)	-	-	61,398	-	61,398
<b>Total</b>	<b>-</b>	<b>115,063</b>	<b>-</b>	<b>-</b>	<b>(53,665)</b>	<b>-</b>	<b>15,455</b>	<b>76,853</b>	<b>62,962</b>	<b>139,815</b>
Transactions with owners, recognised directly in equity:										
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(160,000)	(160,000)
Appropriations	-	-	48,155	-	-	-	(48,155)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>48,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,155)</b>	<b>-</b>	<b>(160,000)</b>	<b>(160,000)</b>
<b>Balance at 31 March 2015</b>	<b>7,261,726</b>	<b>27,168</b>	<b>1,123,646</b>	<b>(1,834,019)</b>	<b>(60,759)</b>	<b>(337,230)</b>	<b>13,095,912</b>	<b>19,276,444</b>	<b>9,765,175</b>	<b>29,041,619</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2016

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2016</b>	7,261,726	(564,845)	(29,521)	6,667,360
Total comprehensive income for the period:				
Profit for the period	-	-	21,252	21,252
Other comprehensive income for the period	-	292,596	-	292,596
Total	-	292,596	21,252	313,848
<b>Balance at 31 March 2016</b>	<b>7,261,726</b>	<b>(272,249)</b>	<b>(8,269)</b>	<b>6,981,208</b>

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2015

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2015</b>	7,261,726	(505,335)	(153,822)	6,602,569
Total comprehensive expense for the period:				
Loss for the period	-	-	(201,417)	(201,417)
Other comprehensive expense for the period	-	(230,588)	-	(230,588)
Total	-	(230,588)	(201,417)	(432,005)
<b>Balance at 31 March 2015</b>	<b>7,261,726</b>	<b>(735,923)</b>	<b>(355,239)</b>	<b>6,170,564</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

## Share Capital

As at 31 March 2016, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 December 2015: 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 2015	1,948,736	7,261,726
As at 1 January 2016 and 31 March 2016	1,948,736	7,261,726

## Treasury Shares

The Company did not hold any treasury shares as at 31 March 2016 and 31 March 2015.

**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.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

The figures for the first quarter ended 31 March 2016 have neither been audited nor reviewed by the auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the unaudited financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2015, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2016.

**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 2015 for more information.





# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 owners of the Company after deducting any provision for preference dividends.

	GROUP	
	1Q 2016 (Unaudited)	1Q 2015 (Unaudited)
<b>EPS based on Group's profit attributable to owners of the Company:</b>		
(i) On the weighted average number of shares (RMB)	13.35 cents	0.79 cents
- Weighted average number of shares ('000)	1,948,736	1,948,736
(ii) On a fully diluted basis (RMB)	13.35 cents	0.79 cents
- Adjusted weighted average number of shares ('000)	1,948,736	1,948,736

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	
	31.03.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2016 (Unaudited)	31.12.2015 (Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period / year (RMB)</b>	10.52	10.44	3.58	3.42



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

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

## **1Q 2016 vs. 1Q 2015**

The substantial increase in GFA delivered to customers in 1Q 2016 drove the commendable growth of 182.3% or RMB1.843 billion in the Group's revenue to RMB2.853 billion in 1Q 2016 from RMB1.011 billion in 1Q 2015. Higher ASP per sqm in 1Q 2016 as a result of the change in composition of product mix also partly contributed to the increase in the Group's revenue in current reporting period as compared with corresponding period last year. The Group continued to handover its existing projects in 1Q 2016 namely, Yanlord Western Gardens (仁恒西郊雅苑) and Yanlord Sunland Gardens (Phase 1 and 2) (仁恒森兰雅苑一期及二期) in Shanghai, Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园二期) in Tianjin, Yanlord Lakeview Bay – Land Parcels A2 and A4 (仁恒双湖湾 – A2 及 A4 地块) in Suzhou and Yanlord Rosemite (仁恒峦山美地花园) in Shenzhen, which contributed 30.6%, 28.0%, 9.4%, 8.7% and 8.0% respectively to the Group's 1Q 2016 gross revenue on sales of properties.

Gross profit increased by 89.2% or RMB385 million to RMB817 million in 1Q 2016 from RMB432 million in 1Q 2015 mainly attributable to the higher GFA delivered partly offset by the lower resettlement service fee income recognised in 1Q 2016 as compared to 1Q 2015 as mentioned above in Note 1(a). Gross profit margin was lower at 28.6% in 1Q 2016 as compared with 42.7% in 1Q 2015 primarily due to the relatively lower resettlement service fee income recognised in 1Q 2016 as compared to 1Q 2015.

Profit before income tax grew, in-line with the higher revenue stream and gross profit, to RMB662 million in 1Q 2016 from RMB218 million in 1Q 2015, which represented a growth of 204.1% or RMB444 million. Profit before income tax margin increased slightly by 1.7 percentage points to 23.2% in 1Q 2016 as compared to 21.5% in 1Q 2015.

Hence, profit for the period recorded a considerable growth of 409.9% or RMB321 million to RMB400 million in 1Q 2016 over the same period in 2015, while profit for the period margin grew by 6.2 percentage points to 14.0% in 1Q 2016 from 7.8% in 1Q 2015.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

- 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 receivables (Non-current assets)

Other receivables, which mainly represented an interest-bearing long-term loan and payments for resettlement deals for land parcels in Chengdu, increased by RMB640 million to RMB1.169 billion as at 31 March 2016 from RMB530 million as at 31 December 2015. The increase as at 31 March 2016 was primarily attributable to the interest-bearing loan advance to fund a planned joint venture project in current reporting period.

### Other receivables and deposits (Current assets)

Other receivables and deposits, which mainly included deposits for projects and public land auctions as well as business tax prepayment, increased to RMB4.543 billion as at 31 March 2016 from RMB2.620 billion as at 31 December 2015. The increase was primarily due to the increase in deposits for new potential projects and public land auctions. Other contributor to the increase in other receivables and deposits included an increase in prepayment for business tax which was in-line with the increase in advances received from customers as mentioned below.

### Other payables (Current liabilities)

Other payables, which mainly included advances received from customers, increased by 33.2% or RMB5.964 billion to RMB23.921 billion as at 31 March 2016 from RMB17.956 billion as at 31 December 2015 mainly due to an increase in pre-sales proceeds received from customers.

## **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.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## 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

Market sentiment in the People's Republic of China ("PRC") property sector was buoyant in 1Q 2016 with 62 of the top 70 cities exhibiting a month-on-month price increase in March 2016 based on data released by the PRC National Bureau of Statistics ("NBS") on 18 April 2016. The government implemented favourable macro policies encouraging home ownership<sup>1</sup> in the PRC which were coupled with recent credit easing measures<sup>2</sup> that included reductions in interest rates. Commodity housing sales rose 7.4% year-on-year for the first three months of 2016 to RMB4.598 trillion based on data released by the NBS on 18 April 2016.

### COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 31 March 2016, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB22.925 billion, with an accumulated pre-sale amount of RMB29.293 billion.

The Group will continue to launch new projects and new batches of its existing projects in 2Q 2016 namely, Oasis New Island Gardens (Phase 3) (绿洲新岛花园三期) and Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城四期) in Nanjing, Yanlord Eastern Gardens (仁恒东邑雅苑), Yanlord on the Park (仁恒世纪公寓) and Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai, Tianjin Jinnan Land (Phase 3) (天津景新花园三期) as well as Yanlord Marina Peninsula Gardens (Phase 1 and 2) (仁恒滨海半岛花园一期及二期) in Zhuhai.

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<sup>1</sup> Reference: The People's Bank of China Notice released on 30 September 2014 (中国人民银行 中国银行业监督管理委员会 关于进一步做好住房金融服务工作的通知)

<sup>2</sup> Reference: The People's Bank of China Notice released on 23 October 2015 (中国人民银行决定下调存贷款基准利率并降低存款准备金率)



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Outlook

Despite volatilities in the PRC financial and currency markets, in 1Q 2016, the real economy of the country continues on a steady growth trajectory, rising 6.7% in the first three months of 2016 based on data released by the NBS on 18 April 2016. Capitalising on the continued growth of the economy coupled with healthy demand within the PRC real estate sector, Yanlord, with its high quality landbank and strong brand recognition, is well poised to tap the rising demand for quality residential developments in the PRC.

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 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

(Company Reg. No. 200601911K)

## 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 first quarter financial results of the Group for the period ended 31 March 2016 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

## 15. Undertakings under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the SGX-ST Listing Manual.

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer  
11 May 2016