



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018 FINANCIAL STATEMENTS ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

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UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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 2018

	2Q 2018	2Q 2017	% Change	1H 2018	1H 2017	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	9,663,111	4,277,113	126	16,851,067	10,598,355	59
Cost of sales	(5,832,216)	(2,459,949)	137	(9,015,732)	(5,655,262)	59
Gross profit	3,830,895	1,817,164	111	7,835,335	4,943,093	59
Other operating income	124,758	104,020	20	246,109	172,834	42
Selling expenses	(66,914)	(67,426)	(1)	(150,648)	(149,123)	1
Administrative expenses	(152,592)	(170,337)	(10)	(476,828)	(371,795)	28
Other operating expenses	(4,114)	(5,240)	(21)	(5,783)	(5,883)	(2)
Finance cost	(154,415)	(155,263)	(1)	(287,370)	(268,660)	7
Share of loss of associates	(208)	(1,020)	(80)	(1,901)	(2,590)	(27)
Share of profit of joint ventures	26,475	8,278	220	138,449	197,592	(30)
Profit before income tax	3,603,885	1,530,176	136	7,297,363	4,515,468	62
Income tax	(1,585,225)	(882,416)	80	(3,482,556)	(2,399,967)	45
Profit for the period	2,018,660	647,760	212	3,814,807	2,115,501	80
Profit attributable to:						
Owners of the Company	1,478,152	462,451	220	2,275,258	1,396,565	63
Non-controlling interests	540,508	185,309	192	1,539,549	718,936	114
	2,018,660	647,760	212	3,814,807	2,115,501	80



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

	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation expense	27,270	9,121	35,661	15,211
Finance cost	154,415	155,263	287,370	268,660
Interest income	(114,072)	(101,750)	(228,853)	(165,025)
Net loss (gain) on disposal of property, plant and equipment	42	63	(52)	(24)
Net gain on disposal of investment properties	(511)	(1,223)	(762)	(4,105)
Net foreign exchange (gain) loss	(96,677)	49,426	2,748	84,545

Revenue and cost of sales

Revenue of the Group in 2Q 2018 grew by 125.9% or RMB5.386 billion to RMB9.663 billion from RMB4.277 billion in 2Q 2017 primarily attributable to a significant increase in gross floor area (“GFA”) delivered to customers, partly offset by the decrease in the Group's average selling price (“ASP”) per square metre (“sqm”) achieved in 2Q 2018. In 1H 2018, the Group reported a 59.0% or RMB6.253 billion increase in revenue to RMB16.851 billion from RMB10.598 billion in 1H 2017 attributable to an increase in ASP per sqm achieved and GFA delivered to customers in 1H 2018 over the same period in 2017. The higher ASP per sqm achieved in 1H 2018 was primarily due to a change in product mix composition including relatively higher-priced projects, such as Yanlord on the Park (仁恒世纪公寓) and Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai, which collectively accounted for 42.4% of the Group's gross revenue on sales of properties in 1H 2018.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased in-line with the increase in GFA delivered in the current reporting periods, by RMB3.372 billion to RMB5.832 billion in 2Q 2018 and by RMB3.360 billion to RMB9.016 billion in 1H 2018 from RMB2.460 billion in 2Q 2017 and RMB5.655 billion in 1H 2017 respectively.

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



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Other operating income

Other operating income included mainly interest income, net gain on disposal of investment properties and government subsidies. Other operating income increased by 19.9% to RMB125 million in 2Q 2018 from RMB104 million in 2Q 2017 and increased by 42.4% to RMB246 million in 1H 2018 from RMB173 million in 1H 2017. The interest income in current reporting periods generated mainly from interest-bearing bank deposits as well as non-trade amounts due from joint ventures, associates and other parties.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, remained at RMB67 million each in 2Q 2018 and 2Q 2017 and increased by 1.0% to RMB151 million in 1H 2018 as compared with RMB149 million in 1H 2017.

Administrative expenses

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, legal and professional fees, rental, depreciation, bank charges, loss caused by typhoon and net foreign exchange loss. Excluding the net foreign exchange gain of RMB97 million in 2Q 2018 and net foreign exchange loss of RMB3 million in 1H 2018, administrative expenses increased by 106.2% or RMB128 million to RMB249 million in 2Q 2018 from RMB121 million in 2Q 2017 and by 65.0% or RMB187 million to RMB474 million in 1H 2018 as compared to RMB287 million in 1H 2017 mainly due to an increase in staff costs and professional fee to support the continuing growth of the Group's business including the opening of a new hotel in Sanya. The increase in administrative expense was also due to the loss caused by the typhoon hitting Zhuhai. The net foreign exchange gain in 2Q 2018 and net foreign exchange loss in 1H 2018 arose mainly from quarter end conversion of foreign currency denominated monetary items against functional currency in certain entities of the Group and realised exchange difference arising from conversion of different monetary currencies in ordinary course of business.



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Finance cost

Finance cost, net of capitalised interest, decreased slightly by 0.5% or RMB1 million to RMB154 million in 2Q 2018 from RMB155 million in 2Q 2017 and grew by 7.0% or RMB19 million to RMB287 million in 1H 2018 from RMB269 million in 1H 2017. The increase in 1H 2018 was mainly due to an increase in interest expenses for financing of investments in joint ventures. 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 profit of joint ventures

The share of profit of joint ventures grew by RMB18 million to RMB26 million in 2Q 2018 and decreased by RMB59 million to RMB138 million in 1H 2018 as compared to the corresponding periods of 2017. Share of profit of joint ventures mainly from sharing of profits of Yanlord Perennial Investment (Singapore) Pte. Ltd., Tangshan Nanhu Eco-City (唐山南湖生态城) project and Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛), an urban development project to be progressively completed in phases.

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, grew by RMB703 million to RMB1.585 billion in 2Q 2018 from RMB882 million in 2Q 2017 and by RMB1.083 billion to RMB3.483 billion in 1H 2018 from RMB2.400 billion in 1H 2017, in-line with the increases in gross profit and profit before income tax in the current reporting periods over the same periods last year.



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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 2018

	GROUP		COMPANY	
	30.06.2018 RMB'000 (Unaudited)	31.12.2017 RMB'000 (Audited)	30.06.2018 RMB'000 (Unaudited)	31.12.2017 RMB'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	3,032,857	2,842,863	-	-
Investment properties	14,002,652	13,986,380	-	-
Properties for development	15,553,693	15,079,352	-	-
Investments in subsidiaries	-	-	3,393,128	3,390,836
Investments in associates	631,110	584,881	-	-
Investments in joint ventures	4,868,576	4,542,033	-	-
Other receivables and deposits	3,870,800	2,402,132	-	-
Non-trade amounts due from:				
Joint ventures	4,689,339	2,696,774	-	-
Non-controlling shareholders of subsidiaries	400,000	400,000	-	-
Other financial asset	2,990	2,990	-	-
Intangible asset	2,092	812	-	-
Deferred tax assets	475,229	445,184	-	-
Total non-current assets	47,529,338	42,983,401	3,393,128	3,390,836
Current assets				
Inventories	122,036	92,721	-	-
Completed properties for sale	8,676,462	8,487,306	-	-
Properties under development for sale	19,261,379	25,587,718	-	-
Trade receivables	43,692	26,298	-	-
Other receivables and deposits	5,183,232	3,923,692	5	4
Non-trade amounts due from:				
Subsidiaries	-	-	11,747,864	11,926,923
Associates	1,288,974	1,283,682	-	-
Joint ventures	3,348,815	2,849,514	-	-
Non-controlling shareholders of subsidiaries	2,357,344	2,336,464	-	-
Other related parties	758	584	-	-
Income tax prepayment	756,687	791,636	-	-



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	GROUP		COMPANY	
	30.06.2018 RMB'000 (Unaudited)	31.12.2017 RMB'000 (Audited)	30.06.2018 RMB'000 (Unaudited)	31.12.2017 RMB'000 (Audited)
Pledged bank deposits	31,082	40,029	-	-
Cash and cash equivalents	11,807,398	17,798,313	1,549	2,650
Total current assets	52,877,859	63,217,957	11,749,418	11,929,577
Total assets	100,407,197	106,201,358	15,142,546	15,320,413

EQUITY AND LIABILITIES

Capital, reserves and non-controlling

interests

Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	16,986,277	15,468,798	46,169	100,507
Equity attributable to owners of the Company	24,248,003	22,730,524	7,307,895	7,362,233
Non-controlling interests	8,789,696	9,972,287	-	-
Total equity	33,037,699	32,702,811	7,307,895	7,362,233

Non-current liabilities

Bank and other borrowings

– due after one year	27,216,235	27,664,355	-	639,509
Senior notes	5,238,908	2,911,604	-	-
Deferred tax liabilities	2,666,489	2,607,761	-	-
Non-trade amounts due to:				
Joint venture	100,000	-	-	-
Non-controlling shareholders of subsidiaries	54,359	1,265,625	-	-
Put liability to acquire non-controlling interest	600,707	1,334,144	-	-
Deferred income	205,419	138,083	-	-
Total non-current liabilities	36,082,117	35,921,572	-	639,509

Current liabilities

Bank and other borrowings

– due within one year	5,109,167	2,557,063	639,306	79,201
Trade payables	6,849,361	7,307,244	-	-
Other payables	12,818,278	22,051,664	94	3,667
Non-trade amounts due to:				
Subsidiary	-	-	7,194,282	7,186,140
Associate	227,253	-	-	-



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	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Joint ventures	100,319	-	-	-
Directors	968	49,663	969	49,663
Non-controlling shareholders of subsidiaries	597,437	688,573	-	-
Other related parties	58,898	55,676	-	-
Income tax payable	4,792,263	4,867,092	-	-
Put liability to acquire non-controlling interest	733,437	-	-	-
Total current liabilities	31,287,381	37,576,975	7,834,651	7,318,671
Total equity and liabilities	100,407,197	106,201,358	15,142,546	15,320,413



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

	GROUP	
	As at 30.06.2018	As at 31.12.2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,850,200	1,958,600
Unsecured	3,316,094	598,463
Sub-total 1	5,166,294	2,557,063
Amount repayable after one year:-		
Secured	11,530,536	11,746,336
Unsecured	20,978,105	20,095,248
Sub-total 2	32,508,641	31,841,584
Total debt	37,674,935	34,398,647

Details of any collateral

Secured borrowings are generally secured by the property, plant and equipment, investment properties, properties for development, properties under development for sale and completed properties for sale.



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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 2018

	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	3,603,885	1,530,176	7,297,363	4,515,468
Adjustments for:				
Depreciation expense	27,270	9,121	35,661	15,211
Finance cost	154,415	155,263	287,370	268,660
Interest income	(114,072)	(101,750)	(228,853)	(165,025)
Net loss (gain) on disposal of property, plant and equipment	42	63	(52)	(24)
Net gain on disposal of investment properties	(511)	(1,223)	(762)	(4,105)
Share of loss of associates	208	1,020	1,901	2,590
Share of profit of joint ventures	(26,475)	(8,278)	(138,449)	(197,592)
Operating cash flows before movements in working capital	3,644,762	1,584,392	7,254,179	4,435,183
Properties for development	(801,736)	(5,585,003)	(952,198)	(13,630,026)
Inventories	(13,274)	(3,982)	(29,218)	(10,592)
Completed properties for sale	5,003,672	1,659,550	7,824,814	3,617,337
Properties under development for sale	(19,579)	(334,432)	(527,393)	(387,837)
Trade and other receivables and deposits	(3,501,890)	(620,824)	(2,671,551)	935,932
Trade and other payables	(4,277,617)	2,679,952	(9,775,883)	(821,180)
Cash generated from (used in) operations	34,338	(620,347)	1,122,750	(5,861,183)
Interest paid	(433,551)	(631,301)	(919,285)	(1,132,819)
Income tax paid	(2,236,126)	(1,890,702)	(3,493,579)	(3,086,367)
Net cash used in operating activities	(2,635,339)	(3,142,350)	(3,290,114)	(10,080,369)



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	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Investing activities				
Acquisition of subsidiaries	-	-	(303,000)	-
Capital injection (withdrawal) by an associate	25,281	(33,888)	-	(33,888)
Investments in joint ventures	(150,150)	(600,000)	(150,150)	(600,000)
Interest received	86,228	72,791	134,023	111,703
(Increase) Decrease in pledged bank deposits	(266)	(257)	8,947	481,314
Proceeds on disposal of property, plant and equipment	114	44	852	2,001
Proceeds on disposal of investment properties	953	2,992	1,429	10,886
Payment for property, plant and equipment	(148,049)	(232,539)	(228,040)	(412,673)
Payment for investment properties	(3,380)	(84,702)	(16,939)	(119,998)
Payment for intangible asset	-	-	(1,280)	(199)
Advance to associates	-	(37,415)	(23,197)	(58,601)
Repayment from associates	44,220	-	44,220	-
Advance to joint ventures	(1,899,419)	-	(2,343,879)	(3,457)
Repayment from joint ventures	16,096	185,474	20,411	196,500
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(8,649)	104,299	(29,017)	(763,181)
Advance to a related company	-	-	(167)	-
Net cash used in investing activities	(2,037,021)	(623,201)	(2,885,787)	(1,189,593)
Financing activities				
Dividends paid	(630,453)	(415,855)	(630,453)	(415,855)
Dividends paid to non-controlling shareholders of subsidiaries	(786,317)	-	(967,009)	(75,439)
Net proceeds on issue of senior notes	2,178,613	-	2,178,613	3,085,026
Proceeds from bank and other borrowings	2,221,320	10,251,705	3,421,320	16,011,794
Repayment of bank and other borrowings	(1,019,216)	(710,639)	(1,412,716)	(4,993,561)
Purchase of treasury shares	-	-	-	(40,561)
Redemption of senior notes	-	(1,974,600)	-	(1,974,600)
Advance from joint ventures	99,188	204	200,319	204
(Repayment to) Advance from directors	(1,059)	(230)	(49,794)	259
Repayment to ultimate holding company	-	-	-	(671,930)



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	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Advance from non-controlling shareholders of subsidiaries	312,391	596,433	321,330	1,228,483
Repayment to non-controlling shareholders of subsidiaries	(830,804)	(886,033)	(1,355,804)	(886,033)
Advance from (Repayment to) other related parties	13,890	10,494	3,222	(8,761)
Capital injection from a non-controlling shareholder of a subsidiary	-	-	4,900	-
Capital withdrawal by non-controlling shareholders of subsidiaries	(175,245)	(102,113)	(447,431)	(102,113)
Acquisition of non-controlling interest in subsidiaries	(1,045,884)	(300)	(1,045,884)	(1,412,119)
Disposal of partial interest in a subsidiary	-	-	-	12,000
Net cash from financing activities	336,424	6,769,066	220,613	9,756,794
Net (decrease) increase in cash and cash equivalents	(4,335,936)	3,003,515	(5,955,288)	(1,513,168)
Cash and cash equivalents at beginning of period	16,235,460	13,089,922	17,798,313	17,583,383
Effect of exchange rate changes on the balances of cash held in foreign currencies	(92,126)	(3,229)	(35,627)	19,993
Cash and cash equivalents at end of period	11,807,398	16,090,208	11,807,398	16,090,208



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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 2018

	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	2,018,660	647,760	3,814,807	2,115,501
Other comprehensive (expense) income:				
<u>Item that will not be reclassified subsequently to profit or loss:</u>				
Share of other comprehensive income of a joint venture	20	-	5,588	-
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(590,879)	163,775	(240,815)	130,129
Share of other comprehensive income of a joint venture	3,021	-	463	-
Other comprehensive (expense) income for the period, net of tax	(587,838)	163,775	(234,764)	130,129
Total comprehensive income for the period	1,430,822	811,535	3,580,043	2,245,630
Total comprehensive income attributable to:				
Owners of the Company	890,199	626,226	2,040,379	1,526,694
Non-controlling interests	540,623	185,309	1,539,664	718,936
	1,430,822	811,535	3,580,043	2,245,630



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Unaudited Company Statements of Comprehensive Income for the Period Ended 30 June 2018

	2Q 2018	2Q 2017	1H 2018	1H 2017
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	666,311	594,925	643,233	582,340
Other comprehensive income (expense):				
<u>Items that may be reclassified subsequently to</u>				
<u>profit or loss:</u>				
Currency translation difference	58,279	(35,040)	(67,118)	169,317
Other comprehensive income (expense) for				
the period, net of tax	58,279	(35,040)	(67,118)	169,317
Total comprehensive income for the				
period	724,590	559,885	576,115	751,657
Total comprehensive income attributable to:				
Owners of the Company	724,590	559,885	576,115	751,657
Non-controlling interests	-	-	-	-
	724,590	559,885	576,115	751,657



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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 2018

	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	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
Balance at 1 January 2018	7,261,726	(132,309)	(194,903)	1,503,873	(1,834,019)	(3,285,564)	19,411,720	22,730,524	9,972,287	32,702,811
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	797,106	797,106	999,041	1,796,147
Other comprehensive income for the period	-	-	350,064	-	-	(2,558)	5,568	353,074	-	353,074
Total	-	-	350,064	-	-	(2,558)	802,674	1,150,180	999,041	2,149,221
Transactions with owners, recognised directly in equity:										
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	-	4,900	4,900
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(272,186)	(272,186)
Dividends declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(265,847)	(265,847)
Appropriations	-	-	-	31,237	-	-	(31,237)	-	-	-
Total	-	-	-	31,237	-	-	(31,237)	-	(533,133)	(533,133)
Balance at 31 March 2018	7,261,726	(132,309)	155,161	1,535,110	(1,834,019)	(3,288,122)	20,183,157	23,880,704	10,438,195	34,318,899



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	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	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
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	1,478,152	1,478,152	540,508	2,018,660
Other comprehensive expense for the period	-	-	(590,994)	-	-	3,021	20	(587,953)	115	(587,838)
Total	-	-	(590,994)	-	-	3,021	1,478,172	890,199	540,623	1,430,822
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	193,181	-	(85,628)	-	107,553	(1,153,437)	(1,045,884)
Capital withdrawal by non-controlling shareholders	-	-	-	-	-	-	-	-	(175,245)	(175,245)
Dividends	-	-	-	-	-	-	(630,453)	(630,453)	-	(630,453)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(860,440)	(860,440)
Appropriations	-	-	-	24,126	-	-	(24,126)	-	-	-
Total	-	-	-	217,307	-	(85,628)	(654,579)	(522,900)	(2,189,122)	(2,712,022)
Balance at 30 June 2018	7,261,726	(132,309)	(435,833)	1,752,417	(1,834,019)	(3,370,729)	21,006,750	24,248,003	8,789,696	33,037,699



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Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2017

	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	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
Balance at 1 January 2017	7,261,726	(47,006)	(689,689)	1,403,010	(1,834,019)	(1,758,997)	16,711,769	21,046,794	8,962,762	30,009,556
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	934,114	934,114	533,627	1,467,741
Other comprehensive expense for the period	-	-	(33,646)	-	-	-	-	(33,646)	-	(33,646)
Total	-	-	(33,646)	-	-	-	934,114	900,468	533,627	1,434,095
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	-	-	(1,466,356)	-	(1,466,356)	(103,783)	(1,570,139)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(37,091)	(37,091)
Repurchase of shares	-	(40,561)	-	-	-	-	-	(40,561)	-	(40,561)
Appropriations	-	-	-	38,913	-	-	(38,913)	-	-	-
Total	-	(40,561)	-	38,913	-	(1,466,356)	(38,913)	(1,506,917)	(140,874)	(1,647,791)
Balance at 31 March 2017	7,261,726	(87,567)	(723,335)	1,441,923	(1,834,019)	(3,225,353)	17,606,970	20,440,345	9,355,515	29,795,860



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YANLORD LAND GROUP LIMITED

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	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	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
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	462,451	462,451	185,309	647,760
Other comprehensive income for the period	-	-	163,775	-	-	-	-	163,775	-	163,775
Total	-	-	163,775	-	-	-	462,451	626,226	185,309	811,535
Transactions with owners, recognised directly in equity:										
Capital withdrawal by a non-controlling shareholder										
	-	-	-	-	-	-	-	-	(102,113)	(102,113)
Dividends	-	-	-	-	-	-	(415,855)	(415,855)	-	(415,855)
Appropriations	-	-	-	31,724	-	-	(31,724)	-	-	-
Total	-	-	-	31,724	-	-	(447,579)	(415,855)	(102,113)	(517,968)
Balance at 30 June 2017	7,261,726	(87,567)	(559,560)	1,473,647	(1,834,019)	(3,225,353)	17,621,842	20,650,716	9,438,711	30,089,427



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2018

	Share capital	Treasury shares	Currency translation reserve	Accumulated profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	7,261,726	(132,309)	(123,755)	356,571	7,362,233
Total comprehensive expense for the period:					
Loss for the period	-	-	-	(23,078)	(23,078)
Other comprehensive expense for the period	-	-	(125,397)	-	(125,397)
Total	-	-	(125,397)	(23,078)	(148,475)
Balance at 31 March 2018	7,261,726	(132,309)	(249,152)	333,493	7,213,758
Total comprehensive income for the period:					
Profit for the period	-	-	-	666,311	666,311
Other comprehensive income for the period	-	-	58,279	-	58,279
Total	-	-	58,279	666,311	724,590
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(630,453)	(630,453)
Balance at 30 June 2018	7,261,726	(132,309)	(190,873)	369,351	7,307,895



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2017

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
Balance at 1 January 2017	7,261,726	(47,006)	(246,993)	210,588	7,178,315
Total comprehensive expense for the period:					
Loss for the period	-	-	-	(12,585)	(12,585)
Other comprehensive income for the period	-	-	204,357	-	204,357
Total	-	-	204,357	(12,585)	191,772
Repurchase of shares, representing total transaction with owners, recognised directly in equity	-	(40,561)	-	-	(40,561)
Balance at 31 March 2017	7,261,726	(87,567)	(42,636)	198,003	7,329,526
Total comprehensive income for the period:					
Profit for the period	-	-	-	594,925	594,925
Other comprehensive expense for the period	-	-	(35,040)	-	(35,040)
Total	-	-	(35,040)	594,925	559,885
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(415,855)	(415,855)
Balance at 30 June 2017	7,261,726	(87,567)	(77,676)	377,073	7,473,556



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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	Number of ordinary shares (including treasury shares)	Share capital (net of expenses) RMB'000
As at 1 April 2018 and 30 June 2018	1,948,736,476	7,261,726

Treasury Shares

During the period from 1 April 2018 to 30 June 2018, the Company did not repurchase any treasury shares (1 April 2017 to 30 June 2017: Nil). Treasury shares are presented as a component within equity attributable to owners of the Company.

The number of shares held as treasury shares against the total number of issued shares excluding treasury shares of the Company, as at the end of 30 June 2018 and as at the end of 30 June 2017 were as follows:

	Number of treasury shares	RMB'000
As at 30 June 2017	12,164,200	87,567



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	Number of treasury shares	RMB'000
As at 1 April 2018 and 30 June 2018	17,201,100	132,309
		Percentage of aggregate number of treasury shares held against the total number of ordinary shares (excluding treasury shares)
	Number of ordinary shares (excluding treasury shares)	
As at 30 June 2017	1,936,572,276	0.6%
As at 30 June 2018	1,931,535,376	0.9%

Subsidiary Holdings

There was no subsidiary holdings as at 30 June 2018 and 30 June 2017.

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.

	30.06.2018	31.12.2017
Total number of issued shares	1,948,736,476	1,948,736,476
Total number of treasury shares	(17,201,100)	(17,201,100)
Total number of issued shares (excluding treasury shares)	1,931,535,376	1,931,535,376

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

Not applicable.

1(e)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.



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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 2018 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

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC.

The Group has applied the same accounting policies and methods of computation in the unaudited financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2017, except for the adoption of new / revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) 9 Financial Instruments

SFRS(I) 15 Revenue from Contracts with Customers

The application of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15 does not have any significant impact on the Group's financial statements.



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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 2017 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 owners of the Company after deducting any provision for preference dividends.

	GROUP		GROUP	
	2Q 2018 (Unaudited)	2Q 2017 (Unaudited)	1H 2018 (Unaudited)	1H 2017 (Unaudited)
EPS based on Group's profit attributable to owners of the Company:				
(i) On the weighted average				
number of shares (RMB)	76.53 cents	23.88 cents	117.80 cents	72.05 cents
- Weighted average				
number of shares	1,931,535,376	1,936,572,276	1,931,535,376	1,938,392,937
(ii) On a fully diluted basis				
(RMB)	76.53 cents	23.88 cents	117.80 cents	72.05 cents
- Adjusted weighted				
average number of				
shares	1,931,535,376	1,936,572,276	1,931,535,376	1,938,392,937



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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	
	30.06.2018 (Unaudited)	31.12.2017 (Unaudited)	30.06.2018 (Unaudited)	31.12.2017 (Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	12.55	11.77	3.78	3.81

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 2018 vs. 2Q 2017

Revenue of the Group surged 125.9% or RMB5.386 billion in 2Q 2018 to RMB9.663 billion from RMB4.277 billion in 2Q 2017 underscored by the significant increase in GFA delivered to customers. The Group continued to deliver new projects in 2Q 2018 namely, Tianjin Jinnan Land (Phase 3) (景新花园三期), Oasis New Island Gardens (Phase 3) (绿洲新岛花园三期) in Nanjing and Yanlord Marina Peninsula Gardens (Phase 2) (仁恒滨海半岛花园二期) in Zhuhai, which accounted for 38.0%, 26.1%, and 12.9% respectively to the Group's 2Q 2018 gross revenue on sales of properties.

Gross profit recorded a commendable growth of 110.8% or RMB2.014 billion to RMB3.831 billion in 2Q 2018 from RMB1.817 billion in 2Q 2017. Gross profit margin was slightly lower at 39.6% in 2Q 2018 as compared to 42.5% in 2Q 2017 primarily due to the change in composition of product mix delivered in the period.



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In-line with the increase in gross profit reported in 2Q 2018, profit before income tax increased by 135.5% or RMB2.074 billion to RMB3.604 billion in 2Q 2018 from RMB1.530 billion in 2Q 2017, while profit before income tax margin grew by 1.5 percentage points to 37.3% in 2Q 2018 from 35.8% in 2Q 2017.

Consequently, the Group's profit for the period increased to RMB2.019 billion in 2Q 2018 from RMB648 million in 2Q 2017, which represented an increase of 211.6% or RMB1.371 billion. Profit for the period margin reported a growth of 5.8 percentage points to 20.9% in 2Q 2018 as compared with 15.1% in 2Q 2017.

1H 2018 vs. 1H 2017

Revenue of the Group rose 59.0% or RMB6.253 billion to RMB16.851 billion in 1H 2018 from RMB10.598 billion in 1H 2017 underscored by the significant increase in GFA delivered to customers and the higher ASP per sqm achieved in 1H 2018 in-line with the Group's delivery schedule. Revenue in 1H 2018 was mainly generated from Yanlord on the Park (仁恒世纪公寓) in Shanghai, Tianjin Jinnan Land (Phase 3) (景新花园三期) and Oasis New Island Gardens (Phase 3) (绿洲新岛花园三期) in Nanjing, which represented 34.2%, 21.9% and 15.0% of the Group's gross revenue on sales of properties in 1H 2018.

In-line with the increase in revenue, gross profit reported a commendable growth of 58.5% or RMB2.892 billion to RMB7.835 billion in 1H 2018 as compared to RMB4.943 billion in 1H 2017. Gross profit margin remained at approximately 46.5% in 1H 2018 as compared to 46.6% in 1H 2017.

As such, profit before income tax grew considerably by 61.6% or RMB2.782 billion to RMB7.297 billion in 1H 2018 from RMB4.515 billion in 1H 2017, and profit before income tax margin increased by 0.7 percentage point to 43.3% in 1H 2018 from 42.6% in 1H 2017.

Profit for the period also reported a significant growth of 80.3% or RMB1.699 billion to RMB3.815 billion in 1H 2018 as compared to RMB2.116 billion in 1H 2017, while profit for the period margin reported an increase of 2.6 percentage points to 22.6% in 1H 2018 from 20.0% in 1H 2017.



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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

Non-current assets

Other receivables and deposits

Other receivables and deposits increased to RMB3.871 billion as at 30 June 2018 from RMB2.402 billion as at 31 December 2017 mainly due to increase in deposits for potential projects.

Non-trade amount due from joint ventures

Non-trade amount due from joint ventures increased to RMB4.689 billion as at 30 June 2018 from RMB2.697 billion as at 31 December 2017 mainly due to increase in long term shareholder's loan to the joint venture projects.

Current assets

Other receivables and deposits

Other receivables and deposits increased by RMB1.260 billion to RMB5.183 billion as at 30 June 2018 from RMB3.924 billion as at 31 December 2017 mainly due to increase in deposits for potential projects.

Non-current liabilities

Senior notes

Senior notes increased by RMB2.327 billion to RMB5.239 billion as at 30 June 2018 as compared to RMB2.912 billion as at 31 December 2017 mainly due to the issuance of US\$350 million 6.75% senior notes due 2023 in April 2018 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.

Non-trade amount due to a joint venture

Non-trade amount due to a joint venture of RMB100 million as at 30 June 2018 is advance from a joint venture.



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Non-trade amounts due to non-controlling shareholders of subsidiaries

Non-trade amounts due to non-controlling shareholders of subsidiaries decreased to RMB54 million as at 30 June 2018 from RMB1.266 billion as at 31 December 2017 mainly due to transfer of the amounts due within one year to current liabilities.

Current liabilities

Other payables

Other payables, which mainly included advances received from customers, decreased by 41.9% or RMB9.233 billion to RMB12.818 billion as at 30 June 2018 from RMB22.052 billion as at 31 December 2017 mainly due to a decrease in pre-sales proceeds received from the customers.

Non-trade amount due to an associate

Non-trade amount due to an associate of RMB227 million as at 30 June 2018 is the dividend payable to an associate.

Non-trade amounts due to joint ventures

Non-trade amounts due to joint ventures of RMB100 million as at 30 June 2018 is mainly advance from a joint venture.

Put liability to acquire non-controlling interest

Put liability to acquire non-controlling interest as at 30 June 2018 was RMB733 million, which represented a potential contractual liability incurred in 2016 for the Group to purchase the equity interest from a non-controlling shareholder of a subsidiary, if so demanded in future. As the earliest date for the non-controlling shareholder to exercise the non-cancellable right to put back its shares to the Group are expected within one year, the liability was transferred from non-current liabilities to current liabilities.

STATEMENTS OF CASH FLOWS

Net cash used in operating activities

Net cash used in operating activities decreased by RMB507 million to RMB2.635 billion in 2Q 2018 from RMB3.142 billion in 2Q 2017 and decreased by RMB6.790 billion to RMB3.290 billion in 1H 2018 from RMB10.080 billion in 1H 2017, primarily attributable to decrease in landbank payments, which partly offset by a decrease in advances received from customers in current reporting periods over the same periods last year.



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Net drawdown from bank and other borrowings

Net drawdown from bank and other borrowings decreased by RMB8.339 billion to RMB1.202 billion in 2Q 2018 from RMB9.541 billion in 2Q 2017 and decreased by RMB9.010 billion to RMB2.009 billion from RMB11.018 billion in 1H 2017, in-line with our decrease in the fund used in operating activities.

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

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

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

INDUSTRY OUTLOOK

The People's Republic of China ("PRC") real estate sector grew steadily in 1H 2018 with total investment in residential development rising 13.6% to RMB3.899 trillion based on data compiled by the National Bureau of Statistics ("NBS") on 16 July 2018. Buoyed by healthy demand for residential properties, prices for primary commodity housing within the top 70 cities rose approximately 5.8% in June 2018 based on NBS dated 17 July 2018.

COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 30 June 2018, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB11.522 billion, with an accumulated pre-sale amount of RMB14.199 billion.



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The Group will continue to deliver projects in accordance with its delivery schedule. This would include launching new projects and new batches of existing projects in 3Q 2018 namely, Nanjing Daji Land Parcels (Phase 1) (南京大吉别墅项目一期) and Yanlord Taoyuan Gardens (桃园世纪华庭) in Nanjing, Yanlord Eastern Gardens (仁恒东邑雅苑) in Shanghai, Riverbay Gardens (江湾雅园) in Suzhou, Tangshan Nanhu Eco-City - Land Parcel A8 (唐山南湖生态城 A8 地块) in Tangshan and The Mansion In Park (Phase 1) (仁恒公园世纪一期) in Tianjin.

Outlook

The PRC economy grew steadily in 1H 2018 rising 6.8% based on data released by the NBS on 17 July 2018. In view of the healthy economic development and the rising aspirations of home upgraders, Yanlord, with its high quality landbank and strong brand recognition, is well poised to tap the continued demand growth for quality residential developments in the PRC. To better mitigate against volatilities in the global economy and the recent austerity measures of the government's policies in the PRC, the Group will continue to maintain its strong cash position and prudent financial policies to ensure the sustainable growth and development of the Group.

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.



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

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

14. Confirmation of the Board of Directors (“Board”)

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

We, Zhong Sheng Jian and Chan Yiu Ling, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited second quarter and half year financial results of the Group for the period ended 30 June 2018 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
14 August 2018