



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019 FINANCIAL STATEMENTS ANNOUNCEMENT

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UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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 September 2019

	3Q 2019	3Q 2018	% Change	9M 2019	9M 2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	2,881,677	5,711,554	(50)	10,593,581	22,562,621	(53)
Cost of sales	(1,213,190)	(3,095,440)	(61)	(5,340,583)	(12,111,172)	(56)
Gross profit	1,668,487	2,616,114	(36)	5,252,998	10,451,449	(50)
Other operating income and other gains	179,302	313,514	(43)	565,040	559,623	1
Fair value gain on investment properties	-	-	NM	791,018	-	NM
Selling expenses	(120,247)	(94,380)	27	(300,619)	(245,028)	23
Administrative expenses	(253,231)	(213,908)	18	(766,222)	(690,736)	11
Other operating expenses	(3,999)	(4,090)	(2)	(6,962)	(9,873)	(29)
Finance cost	(364,633)	(190,984)	91	(863,422)	(478,354)	80
Share of loss of associates	(9,049)	(1,554)	482	(15,477)	(3,455)	348
Share of profit (loss) of joint ventures	48,195	(35,109)	NM	16,251	103,340	(84)
Profit before income tax	1,144,825	2,389,603	(52)	4,672,605	9,686,966	(52)
Income tax	(752,896)	(1,145,905)	(34)	(2,323,739)	(4,628,461)	(50)
Profit for the period	391,929	1,243,698	(68)	2,348,866	5,058,505	(54)
Profit attributable to:						
Owners of the Company	58,817	1,012,408	(94)	1,247,193	3,287,666	(62)
Non-controlling interests	333,112	231,290	44	1,101,673	1,770,839	(38)
	391,929	1,243,698	(68)	2,348,866	5,058,505	(54)

NM: Not meaningful



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

	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Allowance for doubtful debts and bad debts written off	95	1,161	105	1,161
Depreciation expense	42,502	20,253	123,994	55,914
Fair value gain on investment properties	-	-	(791,018)	-
Fair value gain on financial asset at fair value through profit or loss	(71)	(63)	(214)	(63)
Finance cost	364,633	190,984	863,422	478,354
Interest income	(167,202)	(203,383)	(524,872)	(432,236)
Net (gain) loss on disposal of property, plant and equipment	(2)	(579)	302	(631)
Net gain on disposal of investment properties	(237)	(247)	(1,475)	(1,009)
Net foreign exchange loss (gain)	24,273	(109,674)	58,530	(106,926)
Adjustments for under (over) provision of tax in respect of prior years	10,084	(159)	28,911	(39,646)

Revenue and cost of sales

Revenue of the Group in 3Q 2019 decreased by RMB2.830 billion to RMB2.882 billion from RMB5.712 billion in 3Q 2018 primarily attributable to the decrease in gross floor area (“GFA”) delivered to customers and partially offset by the higher average selling price (“ASP”) per square metre (“sqm”) achieved by the Group in 3Q 2019 compared to 3Q 2018. Higher ASP per sqm achieved in 3Q 2019 was primarily due to a change in composition of product-mix. The Group reported a decrease of RMB11.969 billion in revenue to RMB10.594 billion in 9M 2019 from RMB22.563 billion in 9M 2018 mainly attributable to the decrease in GFA delivered to customers in 9M 2019 in-line with the Group’s delivery schedule over the same period in 2018.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, decreased in-line with the decrease in GFA delivered in the current reporting periods, by RMB1.882 billion to RMB1.213 billion in 3Q 2019 and by RMB6.771 billion to RMB5.341 billion in 9M 2019 from RMB3.095 billion in 3Q 2018 and RMB12.111 billion in 9M 2018 respectively.



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

Other operating income and other gains

Other operating income and other gains included mainly interest income, government subsidies and net foreign exchange gain. Excluding the net foreign exchange gain in 3Q 2018 and 9M 2018, other operating income decreased by 13.2% to RMB179 million in 3Q 2019 from RMB207 million in 3Q 2018 and increased by 24.8% to RMB565 million in 9M 2019 from RMB453 million in 9M 2018. The increase in other operating income in 9M 2019 was primarily due to the increase in interest income. 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.

Fair value gain on investment properties

Fair value gain on investment properties recognised in 9M 2019 of RMB791 million was mainly attributable to the gain recognised from revaluation of the Group's investment properties namely, Smriti Curtilage (耦前別墅) in Suzhou and Yanlord Riverside Plaza (Phase 1) (仁恒海河广场一期) in Tianjin.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB26 million to RMB120 million in 3Q 2019 and by RMB56 million to RMB301 million in 9M 2019 compared to the corresponding periods in 2018 respectively. The increase was mainly due to the increase in staff costs and advertising and promotion expenses incurred in current periods compared to the corresponding periods in 2018.



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Administrative expenses

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, legal and professional fees, depreciation, bank charges and net foreign exchange loss. Excluding the net foreign exchange effect recorded for the periods under review, administrative expenses increased by 5.7% or RMB12 million to RMB229 million in 3Q 2019 from RMB217 million in 3Q 2018 mainly due to the increase in legal and professional fee in 3Q 2019 and increased by 2.5% or RMB17 million to RMB708 million in 9M 2019 from RMB691 million in 9M 2018 mainly due to the increase in staff costs and legal and professional fee to support the continuing growth of the Group's business in 9M 2019 net off with the absence of the loss caused by the typhoon hitting Zhuhai in 9M 2018. The above-mentioned net foreign exchange effect included a net foreign exchange loss of RMB24 million in 3Q 2019, a net foreign exchange loss of RMB59 million in 9M 2019 and a net foreign exchange gain of RMB3 million in 3Q 2018. The net foreign exchange loss reported in 3Q 2019 and 9M 2019 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.

Finance cost

Finance cost, net of capitalised interest, increased by 90.9% or RMB174 million to RMB365 million in 3Q 2019 from RMB191 million in 3Q 2018 and grew by 80.5% or RMB385 million to RMB863 million in 9M 2019 from RMB478 million in 9M 2018. The increase of finance cost in current periods was mainly due to an increase in interest expenses for financing of investments in joint ventures and associates. 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 consolidated statements of profit or loss for a given period may not be reflective of the Group's actual level of borrowings.

Share of loss of associates

Share of loss of associates was increased by RMB7 million to RMB9 million in 3Q 2019 from RMB2 million in 3Q 2018 and by RMB12 million in 9M 2019 from RMB3 million in 9M 2018, which mainly due to share of loss of newly acquired associates.



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Share of profit (loss) of joint ventures

The Group recorded share of profit of joint ventures of RMB48 million in 3Q 2019, while a share of loss of RMB35 million in 3Q 2018, arising mainly from the sharing of profit of Yanlord Investment (Singapore) Pte. Ltd. (formerly known as Yanlord Perennial Investment (Singapore) Pte. Ltd.). Share of profit decreased by RMB87 million to RMB16 million in 9M 2019 from RMB103 million in 9M 2018 mainly due to increase in operating expenses and finance cost incurred by the joint ventures during the period under review.

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased by RMB393 million to RMB753 million in 3Q 2019 from RMB1.146 billion in 3Q 2018 and decreased by RMB2.305 billion to RMB2.324 billion in 9M 2019 from RMB4.628 billion in 9M 2018, in line with the decreases in gross profit and profit before income tax in the current reporting periods over the corresponding periods in 2018.



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

Statements of Financial Position as at 30 September 2019

	GROUP		COMPANY	
	30.09.2019 RMB'000 (Unaudited)	31.12.2018 RMB'000 (Audited)	30.09.2019 RMB'000 (Unaudited)	31.12.2018 RMB'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	3,165,789	3,177,663	-	-
Investment properties	15,322,359	14,567,640	-	-
Right-of-use assets	72,296	-	-	-
Properties for development	8,143,992	16,940,162	-	-
Investments in subsidiaries	-	-	13,901,523	13,523,060
Investments in associates	1,816,199	1,418,593	-	-
Investments in joint ventures	7,393,993	5,897,162	-	-
Other receivables and deposits	2,502,009	3,114,118	-	-
Non-trade amounts due from:				
Associate	511,440	-	-	-
Joint ventures	4,637,602	5,914,815	-	-
Non-controlling shareholders of subsidiaries	774,544	400,000	-	-
Other financial assets	175,923	175,923	-	-
Intangible assets	812	2,092	-	-
Deferred tax assets	384,689	472,281	-	-
Total non-current assets	44,901,647	52,080,449	13,901,523	13,523,060
Current assets				
Inventories	113,127	117,027	-	-
Completed properties for sale	5,060,805	5,957,456	-	-
Properties under development for sale	25,772,131	21,124,992	-	-
Trade receivables	48,620	48,183	-	-
Other receivables and deposits	3,823,912	1,853,358	304	1
Non-trade amounts due from:				
Subsidiaries	-	-	2,153,411	1,794,247
Associates	1,254,623	1,201,290	-	-
Joint ventures	10,380,961	9,833,539	-	-
Non-controlling shareholders of subsidiaries	5,138,707	3,247,508	-	-
Other related party	812	788	-	-



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	GROUP		COMPANY	
	30.09.2019 RMB'000 (Unaudited)	31.12.2018 RMB'000 (Audited)	30.09.2019 RMB'000 (Unaudited)	31.12.2018 RMB'000 (Audited)
Income tax prepayment	587,757	567,767	-	-
Financial asset at fair value through profit or loss	12,014	-	-	-
Pledged bank deposits	436,480	331,048	-	-
Cash and cash equivalents	15,648,787	10,317,374	1,622	9,404
Total current assets	68,278,736	54,600,330	2,155,337	1,803,652
Total assets	113,180,383	106,680,779	16,056,860	15,326,712

EQUITY AND LIABILITIES

Capital, reserves and non-controlling interests

Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	17,901,374	17,768,378	455,329	264,747
Equity attributable to owners of the Company	25,163,100	25,030,104	7,717,055	7,526,473
Non-controlling interests	8,466,419	7,848,514	-	-
Total equity	33,629,519	32,878,618	7,717,055	7,526,473

Non-current liabilities

Bank and other borrowings				
– due after one year	20,066,800	27,998,178	-	-
Senior notes	8,411,432	5,440,228	-	-
Lease liabilities	50,884	-	-	-
Deferred tax liabilities	3,144,634	2,831,594	-	-
Non-trade amount due to:				
Joint ventures	828,044	805,377	-	-
Deferred income	476,861	335,702	-	-
Total non-current liabilities	32,978,655	37,411,079	-	-

Current liabilities

Bank and other borrowings				
– due within one year	11,396,429	8,293,294	-	639,509
Lease liabilities	25,454	-	-	-
Trade payables	8,523,195	8,246,981	-	-
Other payables	3,624,892	1,453,353	-	3,837



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	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Contract liabilities	14,001,417	9,857,831	-	-
Non-trade amounts due to:				
Subsidiary	-	-	8,282,549	7,100,578
Associates	483,266	257,596	-	-
Joint ventures	1,165,189	674,391	-	-
Directors	57,256	56,315	57,256	56,315
Non-controlling shareholders of subsidiaries	646,028	705,139	-	-
Other related parties	97,439	44,808	-	-
Income tax payable	5,230,911	5,480,641	-	-
Put liability to acquire non-controlling interests	1,320,733	1,320,733	-	-
Total current liabilities	46,572,209	36,391,082	8,339,805	7,800,239
Total equity and liabilities	113,180,383	106,680,779	16,056,860	15,326,712



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

	GROUP	
	As at 30.09.2019	As at 31.12.2018
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	7,675,579	4,144,658
Unsecured	4,005,613	4,552,134
Sub-total 1	11,681,192	8,696,792
Amount repayable after one year:-		
Secured	12,766,698	12,148,502
Unsecured	15,711,534	21,289,904
Sub-total 2	28,478,232	33,438,406
Total debt	40,159,424	42,135,198

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, completed properties for sale and pledged bank deposits.



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

Unaudited Consolidated Statements of Cash Flows for the Period Ended 30 September 2019

	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	1,144,825	2,389,603	4,672,605	9,686,966
Adjustments for:				
Allowance for doubtful debts and bad debts written off	95	1,161	105	1,161
Depreciation expense	42,502	20,253	123,994	55,914
Fair value gain on investment properties	-	-	(791,018)	-
Fair value gain on financial asset at fair value through profit or loss	(71)	(63)	(214)	(63)
Finance cost	364,633	190,984	863,422	478,354
Interest income	(167,202)	(203,383)	(524,872)	(432,236)
Net (gain) loss on disposal of property, plant and equipment	(2)	(579)	302	(631)
Net gain on disposal of investment properties	(237)	(247)	(1,475)	(1,009)
Payable written off	-	-	(6,523)	-
Share of loss of associates	9,049	1,554	15,477	3,455
Share of (profit) loss of joint ventures	(48,195)	35,109	(16,251)	(103,340)
Gain on change of control from subsidiaries to joint ventures	-	-	(266)	-
Gain on disposal of a subsidiary	-	-	(51)	-
Operating cash flows before movements in working capital	1,345,397	2,434,392	4,335,235	9,688,571
Properties for development	(2,492,433)	(825,825)	(4,371,103)	(1,778,023)
Inventories	(369)	(13,993)	224	(43,211)
Completed properties for sale	49,554	2,891,101	1,660,284	10,715,915
Properties under development for sale	(942,437)	(285,725)	(1,016,395)	(813,118)
Trade and other receivables and deposits	(1,752,153)	2,379,666	(2,856,891)	(291,885)
Trade and other payables	(529,128)	58,715	2,724,775	(563,780)



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	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	4,144,889	(2,502,061)	4,143,586	(11,655,449)
Cash (used in) generated from operations	(176,680)	4,136,270	4,619,715	5,259,020
Interest paid	(637,765)	(627,369)	(1,753,231)	(1,546,654)
Income tax paid	(692,791)	(374,982)	(2,190,797)	(3,868,561)
Net cash (used in) from operating activities	(1,507,236)	3,133,919	675,687	(156,195)
Investing activities				
Acquisition of subsidiaries	3	203	(39,997)	(302,797)
Change of control from subsidiaries to joint ventures	-	-	(20,995)	-
Investment in an associate	-	(450,000)	(150,000)	(450,000)
Investments in joint ventures	(41,022)	(75,107)	(603,880)	(225,257)
Interest received	75,356	194,807	443,602	328,830
Decrease (Increase) in pledged bank deposits	300,251	170	(105,432)	9,117
Proceeds on disposal of property, plant and equipment	139	1,073	392	1,925
Proceeds on disposal of investment properties	476	613	2,857	2,042
Proceeds on disposal of financial asset at fair value through profit or loss	1,100	1,570	3,100	1,570
Payment for property, plant and equipment	(68,317)	(227,899)	(121,052)	(455,939)
Payment for investment properties	(29,718)	(117,646)	(39,866)	(134,585)
Payment for intangible asset	-	-	-	(1,280)
Purchase of other financial assets	-	(172,933)	-	(172,933)
Purchase of financial asset at fair value through profit or loss	(1,300)	(1,000)	(14,900)	(1,000)
Advance to associates	-	(898,175)	(218,434)	(921,372)
Repayment from associates	79,644	1,128,000	205,326	1,172,220
Advance to joint ventures	(1,145,309)	(5,210,935)	(3,317,054)	(7,554,814)
Repayment from joint ventures	2,884,133	1,404,247	7,130,729	1,424,658
Repayment from (Advance to) non-controlling shareholders of subsidiaries	89,287	(171,012)	(2,280,057)	(200,029)
Advance to other related party	-	-	-	(167)
Net cash from (used in) investing activities	2,144,723	(4,594,024)	874,339	(7,479,811)



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	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Financing activities				
Dividends paid	-	-	(652,033)	(630,453)
Dividends paid to non-controlling shareholders of subsidiaries	(209,988)	-	(214,389)	(967,009)
Net proceeds on issue of senior notes	2,720,066	-	2,720,066	2,178,613
Proceeds from bank and other borrowings	1,826,994	2,520,064	12,541,399	5,941,384
Repayment of bank and other borrowings	(4,136,650)	(1,064,822)	(9,216,387)	(2,477,538)
Repayment of lease liabilities	(6,029)	-	(18,192)	-
Advance from associates	149,343	-	512,028	-
(Repayment to) Advance from joint ventures	(577,057)	71	5,317	200,390
Advance from (Repayment to) directors	514	592	(467)	(49,202)
Advance from non-controlling shareholders of subsidiaries	4,241	40,835	7,552	339,220
Repayment to non-controlling shareholders of subsidiaries	(1,436,737)	-	(1,666,987)	(1,332,859)
Advance from (Repayment to) other related parties	61,129	(13,081)	52,631	(9,859)
Capital injection from a non-controlling shareholder of a subsidiary	3,000	-	3,000	4,900
Capital withdrawal by non-controlling shareholders of subsidiaries	(400,000)	(273,725)	(434,000)	(721,156)
Acquisition of non-controlling interest in subsidiaries	-	(858,807)	-	(1,904,691)
Disposal of subsidiaries	-	-	7,963	-
Net cash (used in) from financing activities	(2,001,174)	351,127	3,647,501	571,740
Net (decrease) increase in cash and cash equivalents	(1,363,687)	(1,108,978)	5,197,527	(7,064,266)
Cash and cash equivalents at beginning of period	16,939,965	11,807,398	10,317,374	17,798,313
Effect of exchange rate changes on the balances of cash held in foreign currencies	72,509	(92,801)	133,886	(128,428)
Cash and cash equivalents at end of period	15,648,787	10,605,619	15,648,787	10,605,619



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

Unaudited Group Statements of Comprehensive Income for the Period Ended 30 September 2019

	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	391,929	1,243,698	2,348,866	5,058,505
Other comprehensive expense:				
<u>Item that will not be reclassified subsequently to profit or loss:</u>				
Currency translation difference	21,403	77,903	502,796	(2,066)
Share of other comprehensive income of a joint venture	25,970	30	25,939	5,618
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(429,300)	(611,412)	(955,997)	(772,258)
Share of other comprehensive (expense) income of a joint venture	(1,005)	679	852	1,142
Other comprehensive expense for the period, net of tax	(382,932)	(532,800)	(426,410)	(767,564)
Total comprehensive income for the period	8,997	710,898	1,922,456	4,290,941
Total comprehensive income attributable to:				
Owners of the Company	(324,115)	479,818	820,783	2,520,197
Non-controlling interests	333,112	231,080	1,101,673	1,770,744
	8,997	710,898	1,922,456	4,290,941



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Unaudited Company Statements of Comprehensive Income for the Period Ended 30 September 2019

	3Q 2019	3Q 2018	9M 2019	9M 2018
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss) Profit for the period	(2,347)	10,716	656,463	653,949
Other comprehensive income:				
<u>Items that may be reclassified subsequently to</u>				
<u>profit or loss:</u>				
Currency translation difference	82,654	291,402	186,152	224,284
Other comprehensive income for the period,				
net of tax	82,654	291,402	186,152	224,284
Total comprehensive income for the				
period	80,307	302,118	842,615	878,233
Total comprehensive income attributable to:				
Owners of the Company	80,307	302,118	842,615	878,233
Non-controlling interests	-	-	-	-
	80,307	302,118	842,615	878,233



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

Unaudited Group Statements of Changes in Equity for the Period Ended 30 September 2019

	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity 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 2019 as previously reported	7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,097,644	25,030,104	7,848,514	32,878,618
Effect of adoption of SFRS(I) 16 [#]	-	-	-	-	-	-	(3,376)	(3,376)	(426)	(3,802)
Balance at 1 January 2019 as restated	7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,094,268	25,026,728	7,848,088	32,874,816
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	323,057	323,057	290,358	613,415
Other comprehensive income for the period	-	-	219,722	-	-	1,727	(78)	221,371	-	221,371
Total	-	-	219,722	-	-	1,727	322,979	544,428	290,358	834,786
Transactions with owners, recognised directly in equity:										
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(34,000)	(34,000)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(50)	(50)
Total	-	-	-	-	-	-	-	-	(34,050)	(34,050)
Balance at 31 March 2019	7,261,726	(132,309)	(725,965)	2,011,120	(1,834,019)	(3,426,644)	22,417,247	25,571,156	8,104,396	33,675,552

[#] Please refer to Note 4 and 5.



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	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity 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	-	-	-	-	-	-	865,319	865,319	478,203	1,343,522
Other comprehensive expense for the period	-	-	(265,026)	-	-	130	47	(264,849)	-	(264,849)
Total	-	-	(265,026)	-	-	130	865,366	600,470	478,203	1,078,673
Transactions with owners, recognised directly in equity:										
Dividends	-	-	-	-	-	-	(652,033)	(652,033)	-	(652,033)
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(4,401)	(4,401)
Share of other reserve of a joint venture	-	-	-	-	-	(1,142)	-	(1,142)	-	(1,142)
Utilisation of statutory reserve	-	-	-	(229)	-	-	-	(229)	(227)	(456)
Appropriations	-	-	-	7,379	-	-	(7,379)	-	-	-
Total	-	-	-	7,150	-	(1,142)	(659,412)	(653,404)	(4,628)	(658,032)
Balance at 30 June 2019	7,261,726	(132,309)	(990,991)	2,018,270	(1,834,019)	(3,427,656)	22,623,201	25,518,222	8,577,971	34,096,193



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	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity 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	-	-	-	-	-	-	58,817	58,817	333,112	391,929
Other comprehensive expense for the period	-	-	(407,897)	-	-	(1,005)	25,970	(382,932)	-	(382,932)
Total	-	-	(407,897)	-	-	(1,005)	84,787	(324,115)	333,112	8,997
Transactions with owners, recognised directly in equity:										
Change of interest in a subsidiary	-	-	-	-	-	(406)	-	(406)	406	-
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(400,000)	(400,000)
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	3,000	3,000
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(48,070)	(48,070)
Share of other reserve of a joint venture	-	-	-	-	-	(30,601)	-	(30,601)	-	(30,601)
Appropriations	-	-	-	170,769	-	-	(170,769)	-	-	-
Total	-	-	-	170,769	-	(31,007)	(170,769)	(31,007)	(444,664)	(475,671)
Balance at 30 September 2019	7,261,726	(132,309)	(1,398,888)	2,189,039	(1,834,019)	(3,459,668)	22,537,219	25,163,100	8,466,419	33,629,519



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Unaudited Group Statements of Changes in Equity for the Period Ended 30 September 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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	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	-	-	-	-	-	-	1,012,408	1,012,408	231,290	1,243,698
Other comprehensive expense for the period	-	-	(533,299)	-	-	679	30	(532,590)	(210)	(532,800)
Total	-	-	(533,299)	-	-	679	1,012,438	479,818	231,080	710,898
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	76,000	-	(52,437)	-	23,563	(878,667)	(855,104)
Capital withdrawal by non-controlling shareholders	-	-	-	-	-	-	-	-	(273,725)	(273,725)
Non-controlling interest arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	(2,589)	(2,589)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(342,000)	(342,000)
Appropriations	-	-	-	20,825	-	-	(20,825)	-	-	-
Total	-	-	-	96,825	-	(52,437)	(20,825)	23,563	(1,496,981)	(1,473,418)
Balance at 30 September 2018	7,261,726	(132,309)	(969,132)	1,849,242	(1,834,019)	(3,422,487)	21,998,363	24,751,384	7,523,795	32,275,179



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 2019

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
Balance at 1 January 2019	7,261,726	(132,309)	60,987	336,069	7,526,473
Total comprehensive expense for the period:					
Loss for the period	-	-	-	(22,341)	(22,341)
Other comprehensive expense for the period	-	-	(63,615)	-	(63,615)
Total	-	-	(63,615)	(22,341)	(85,956)
Balance at 31 March 2019	7,261,726	(132,309)	(2,628)	313,728	7,440,517
Total comprehensive income for the period:					
Profit for the period	-	-	-	681,151	681,151
Other comprehensive income for the period	-	-	167,113	-	167,113
Total	-	-	167,113	681,151	848,264
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(652,033)	(652,033)
Balance at 30 June 2019	7,261,726	(132,309)	164,485	342,846	7,636,748
Total comprehensive income for the period:					
Loss for the period	-	-	-	(2,347)	(2,347)
Other comprehensive income for the period	-	-	82,654	-	82,654
Total	-	-	82,654	(2,347)	80,307
Balance at 30 September 2019	7,261,726	(132,309)	247,139	340,499	7,717,055



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

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total 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
Total comprehensive income for the period:					
Profit for the period	-	-	-	10,716	10,716
Other comprehensive income for the period	-	-	291,402	-	291,402
Total	-	-	291,402	10,716	302,118
Balance at 30 September 2018	7,261,726	(132,309)	100,529	380,067	7,610,013



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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 July 2019 and 30 September 2019	1,948,736,476	7,261,726

Treasury Shares

During the period from 1 July 2019 to 30 September 2019, the Company did not repurchase any of its ordinary shares (1 July 2018 to 30 September 2018: 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 September 2019 and as at the end of 30 September 2018 were as follows:

	Number of treasury shares	RMB'000
As at 30 September 2018	17,201,100	132,309



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	Number of	
	treasury shares	RMB'000
As at 1 July 2019 and 30 September 2019	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 September 2018	1,931,535,376	0.9%
As at 30 September 2019	1,931,535,376	0.9%

Subsidiary Holdings

There was no subsidiary holdings as at 30 September 2019 and 30 September 2018.

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.

	30.09.2019	31.12.2018
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 third quarter and nine months ended 30 September 2019 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 reporting period as those of the audited financial statements for the year ended 31 December 2018, except for the adoption of new / revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 *Leases*

Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The financial effects of the adoption of the new SFRS(I) are summarised in Note 5 below.



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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

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of accumulated profits as at 1 January 2019, with no restatement of comparative information.

The adoption of SFRS(I) 16 resulted in adjustments to the consolidated statement of financial position of the Group as at 1 January 2019. The differences from the consolidated statement of financial position as previously reported as at 31 December 2018 are as follows:

	GROUP RMB'000
<u>Consolidated Statement of Financial Position as at 1 January 2019</u>	
Increase in right-of-use assets	87,564
Increase in lease liabilities	(91,366)
Decrease in net assets	<u>(3,802)</u>
Decrease in equity attributable to owners of the Company	(3,376)
Decrease in non-controlling interests	(426)
Decrease in equity	<u>(3,802)</u>



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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	
	3Q 2019 (Unaudited)	3Q 2018 (Unaudited)	9M 2019 (Unaudited)	9M 2018 (Unaudited)
EPS based on Group's profit attributable to owners of the Company:				
(i) On the weighted average				
number of shares (RMB)	3.05 cents	52.41 cents	64.57 cents	170.21 cents
- Weighted average				
number of shares	1,931,535,376	1,931,535,376	1,931,535,376	1,931,535,376
(ii) On a fully diluted basis				
(RMB)	3.05 cents	52.41 cents	64.57 cents	170.21 cents
- Adjusted weighted average number of shares				
shares	1,931,535,376	1,931,535,376	1,931,535,376	1,931,535,376

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(i) current financial period reported on; and

(ii) immediately preceding financial year

	GROUP		COMPANY	
	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)				
	13.03	12.96	4.00	3.90



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

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

3Q 2019 vs. 3Q 2018

Revenue of the Group decreased by 49.5% or RMB2.830 billion to RMB2.882 billion in 3Q 2019 from RMB5.712 billion in 3Q 2018 mainly due to the decrease in GFA delivered to customers in 3Q 2019 compared to 3Q 2018, and partially offset by higher ASP per sqm achieved in 3Q 2019 over the corresponding period in 2018 as mentioned above in Note 1(a). The Group continued to deliver new project and existing projects in 3Q 2019 namely, Yanlord Phoenix Hill (Phase 1) (凤凰山居一期) in Nanjing, Riverbay Gardens (Phase 1) (江湾雅园一期) in Suzhou, Yanlord on the Park (仁恒世纪公寓) in Shanghai and Yanlord Marina Centre - Section B (仁恒滨海中心 - B 标段) in Zhuhai, which accounted for 26.8%, 26.1%, 22.0% and 12.1% respectively to the Group's 3Q 2019 gross revenue on sales of properties.

The Group's gross profit decreased by 36.2% or RMB948 million to RMB1.668 billion in 3Q 2019 from RMB2.616 billion in 3Q 2018 as a result of the decrease in GFA delivered to customers and partially offset by higher ASP per sqm achieved in 3Q 2019 over the corresponding period in 2018 as mentioned above in Note 1(a). Gross profit margin increased by 12.1 percentage points to 57.9% in 3Q 2019 from 45.8% in 3Q 2018 primarily due to the change in the composition of product-mix and cost adjustment.

In line with the decrease in gross profit reported in 3Q 2019, profit before income tax decreased by 52.1% or RMB1.245 billion to RMB1.145 billion in 3Q 2019 from RMB2.390 billion in 3Q 2018, while profit before income tax margin decreased by 2.1 percentage points to 39.7% in 3Q 2019 from 41.8% in 3Q 2018.

Consequently, the Group's profit for the period decreased by RMB852 million to RMB392 million in 3Q 2019 from RMB1.244 billion in 3Q 2018. Profit for the period margin decreased by 8.2 percentage points to 13.6% in 3Q 2019 compared to 21.8% in 3Q 2018.



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9M 2019 vs. 9M 2018

Revenue of the Group decreased by 53.0% or RMB11.969 billion to RMB10.594 billion in 9M 2019 from RMB22.563 billion in 9M 2018 mainly due to the decrease in GFA delivered to customers in 9M 2019 in line with the Group's delivery schedule. Revenue in 9M 2019 was mainly generated from Riverbay Gardens (Phase 1) (江湾雅园一期) in Suzhou and Yanlord on the Park (仁恒世纪公寓) in Shanghai, which represented 39.6% and 21.1% of the Group's gross revenue on sales of properties for 9M 2019.

In line with the decrease in revenue, gross profit decreased by 49.7% or RMB5.198 billion to RMB5.253 billion in 9M 2019 compared to RMB10.451 billion in 9M 2018. Gross profit margin increased by 3.3 percentage points to 49.6% in 9M 2019 from 46.3% in 9M 2018.

Profit before income tax decreased by 51.8% or RMB5.014 billion to RMB4.673 billion in 9M 2019 from RMB9.687 billion in 9M 2018 while profit before income tax margin increased by 1.2 percentage points to 44.1% in 9M 2019 from 42.9% in 9M 2018.

Profit for the period decreased by 53.6% or RMB2.710 billion to RMB2.349 billion in 9M 2019 compared to RMB5.059 billion in 9M 2018, while profit for the period margin reported a decrease of 0.2 percentage point to 22.2% in 9M 2019 from 22.4% in 9M 2018.

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

Right-of-use assets

Right-of-use assets of RMB72 million as at 30 September 2019 represent the right to use the underlying leased assets for the lease terms.

Properties for development

Properties for development decreased to RMB8.144 billion as at 30 September 2019 from RMB16.940 billion as at 31 December 2018 mainly due to a project company was accounted for under investments in joint ventures instead of investments in subsidiaries in 9M 2019 as a result of the change in control for such company.



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Other receivables and deposits

Other receivables and deposits decreased to RMB2.502 billion as at 30 September 2019 from RMB3.114 billion as at 31 December 2018. The decrease was primarily due to the amount transfer to properties for development, investment in an associate and non-trade amount due from an associate, partially offset by the increase in deposit for a new potential project.

Non-trade amount due from associate

Non-trade amount due from associate of RMB511 million as at 30 September 2019 represents advance to an associate in Shenzhen that was newly acquired in 2Q 2019.

Non-trade amount due from joint ventures

Non-trade amount due from joint ventures decreased to RMB4.638 billion as at 30 September 2019 from RMB5.915 billion as at 31 December 2018. The decrease was primarily due to the repayment from joint ventures.

Current assets

Other receivables and deposits

Other receivables and deposits increased to RMB3.824 billion as at 30 September 2019 from RMB1.853 billion as at 31 December 2018. The increase was primarily due to the increase in deposit for new potential projects.

Non-trade amount due from non-controlling shareholders of subsidiaries

Non-trade amount due from non-controlling shareholders of subsidiaries increased by RMB1.891 billion to RMB5.139 billion as at 30 September 2019 from RMB3.248 billion as at 31 December 2018 mainly due to distribution of surplus fund of subsidiaries to their shareholders.

Financial asset at fair value through profit or loss

Financial asset at fair value through profit or loss of approximately RMB12 million as at 30 September 2019 pertaining to investment in fund.



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Non-current liabilities

Senior notes

Senior notes increased by RMB2.971 billion to RMB8.411 billion as at 30 September 2019 compared to RMB5.440 billion as at 31 December 2018 mainly due to the issuance of US\$400 million 6.8% senior notes due 2024 in August 2019 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.

Lease liabilities

Lease liabilities of RMB51 million as at 30 September 2019 represent the lease payments which is repayable after one year.

Current liabilities

Lease liabilities

Lease liabilities of RMB25 million as at 30 September 2019 represent the lease payments which is repayable within one year.

Other payables

Other payables increased by RMB2.172 billion to RMB3.625 billion as at 30 September 2019 from RMB1.453 billion as at 31 December 2018 was primary due to advance received from joint venture partners.

Non-trade amount due to associates

Non-trade amount due to associates increased by RMB226 million to RMB483 million as at 30 September 2019 from RMB258 million as at 31 December 2018 was mainly due to advance from associates.

Non-trade amount due to joint ventures

Non-trade amount due to joint ventures increased by RMB491 billion to RMB1.165 billion as at 30 September 2019 from RMB674 million as at 31 December 2018 was mainly due to advance from joint ventures net of the repayment to joint ventures.



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STATEMENTS OF CASH FLOWS

Net cash (used in) from operating activities

The Group recorded net cash used in operating activities of RMB1.507 billion in 3Q 2019 and net cash from operating activities of RMB676 million in 9M 2019 compared to net cash from operating activities of RMB3.134 billion in 3Q 2018 and net cash used in operating activities of RMB156 million in 9M 2018 respectively. The net cash outflow in 3Q 2019 was mainly due to increase in landbank payments over the same period last year.

Net (repayment of) drawdown from bank and other borrowings

Net repayment of bank and other borrowings of RMB2.310 billion in 3Q 2019 compared to net proceeds from bank and other borrowings of RMB1.455 billion in 3Q 2018. Net drawdown decreased to RMB3.325 billion in 9M 2019 from RMB3.464 billion in 9M 2018 in line with the Group's funding requirements for project investments and developments in current reporting periods, such as investment in joint ventures and associates, advance to associates and deposit payments for new potential projects, as well as construction cost payments.

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.



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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

The People's Republic of China ("PRC") real estate sector grew steadily in 9M 2019 with total investment in residential development rising 14.9% to RMB7.215 trillion based on data compiled by the National Bureau of Statistics ("NBS") and published on 18 October 2019. Buoyed by healthy demand for residential properties, primary commodity housing prices in the top 70 cities rose approximately 8.6% year on year in September 2019.

The Group continued to witness steadfast buyer demand for its high-quality residential developments. The accumulated contracted pre-sales and subscription sales achieved by the Group including its joint ventures and associates from the sale of properties for 9M 2019 rose 74.1% to approximately RMB33.563 billion from RMB19.280 billion achieved in the corresponding period in 2018.

As at 30 September 2019, the Group has received advances for contracted pre-sales (recorded as "Contract liabilities" in the statements of financial position), amounting to RMB13.825 billion, with an accumulated contracted pre-sales of RMB16.618 billion. These contracted pre-sales are expected to be progressively recognised as revenue in the subsequent quarters.

Subsequent to the end of the periods under review, the Group launched on 4 November 2019 the inaugural batch of apartment units at Cloud Serenity Gardens (云逸都荟花园) in Nanjing. Opening to strong support from home buyers, 93.9% or 353 of the 376 units launched were sold on the day of launch garnering approximately RMB1.200 billion in pre-sales.

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 4Q 2019, namely Hangzhou Bayfront Isle (Phase 2) (前湾二期), The Corals (珊瑚世纪雅园) and Yanlord Riverside Gardens (仁滨公寓) in Hangzhou; Yanlord Century Gardens (仁恒世纪花园) in Jinan; Yanlord Phoenix Hill (Phase 1) (凤凰山居一期) and Cloud Serenity Gardens (云逸都荟花园) in Nanjing; Canal Times (运河时代花园), Four Seasons Heming Gardens (四季和鸣雅园), Riverside Gardens (河滨花园) and Riverbay Gardens (Phase 1) (江湾雅园一期) in Suzhou; The Mansion In Park (Phase 1) (仁恒公园世纪一期) in Tianjin; Yanlord on the Park (仁恒·公园世纪) in Wuhan and Yanlord Marina Peninsula Gardens (Phase 3) (仁恒滨海半岛花园三期) in Zhuhai.



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Volatilities in the global financial markets coupled with policy headwinds arising from austerity measures introduced by the PRC central government may serve to slow the growth of new land tender prices enabling the sustainable development of the PRC property sector over the longer term. Underscored by the continued aspirations of home upgraders in China, 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. In addition, to better mitigate against potential volatilities, the Group will continue to maintain its strong cash position and prudent financial policies to support the sustainable growth and development of the Group.

Barring any significant deterioration in the global economy and any other unforeseen circumstances such as price cuts in major cities, the Board of Directors is confident of the Group's performance in line with the industry trend for the next reporting period and the next 12 months based on the number of pre-sale units to-date, 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 and the reason(s) for the decision

No dividend has been declared or recommended for the period under review as the Group generally declares or recommends dividend on an annual basis.



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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 third quarter and nine months financial results of the Group for the period ended 30 September 2019 to be false or misleading in any material aspect.

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
13 November 2019