



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 FINANCIAL STATEMENTS ANNOUNCEMENT

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# YANLORD LAND GROUP LIMITED

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## UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 AND Q4), HALF YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### Unaudited Group Income Statements for the Period Ended 30 September 2010

	3Q 2010	3Q 2009	% Change	9M 2010	9M 2009	% Change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
<b>Revenue</b>	527,274	583,392	(10)	1,322,450	1,385,605	(5)
<b>Cost of sales</b>	(315,967)	(274,818)	15	(618,079)	(574,774)	8
<b>Gross profit</b>	211,307	308,574	(32)	704,371	810,831	(13)
Other operating income	21,642	9,045	139	27,607	13,575	103
Selling expenses	(8,003)	(6,175)	30	(18,464)	(17,882)	3
Administrative expenses	(16,736)	(14,313)	17	(50,139)	(44,292)	13
Other operating expenses	(521)	(419)	24	(8,227)	(1,047)	686
Finance cost	(8,272)	(8,744)	(5)	(19,736)	(13,275)	49
Share of loss of jointly controlled entities	(33)	(27)	22	(115)	(27)	326
Share of loss of an associate	(502)	-	NM	(502)	-	NM
<b>Profit before income tax</b>	198,882	287,941	(31)	634,795	747,883	(15)
Income tax	(79,664)	(156,823)	(49)	(338,249)	(439,980)	(23)
<b>Profit for the period</b>	119,218	131,118	(9)	296,546	307,903	(4)
<b>Profit attributable to:</b>						
Equity holders of the						
Company	110,100	91,125	21	228,746	206,963	11
Minority interests	9,118	39,993	(77)	67,800	100,940	(33)
	119,218	131,118	(9)	296,546	307,903	(4)

NM: Not meaningful



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

	<b>3Q 2010</b>	<b>3Q 2009</b>	<b>9M 2010</b>	<b>9M 2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Allowance for doubtful debts and bad debts written off	-	-	2	-
Depreciation expense	1,113	1,049	3,273	3,362
Dividend income from available-for-sale investment	(1,128)	(1,193)	(1,128)	(1,193)
Fair value loss on an investment property	-	-	3,359	-
Fair value (gain) loss on held-for-trading investment	(293)	289	47	(647)
Finance cost	8,272	8,744	19,736	13,275
Interest income	(3,608)	(1,769)	(7,368)	(3,798)
Net loss (gain) on disposal of property, plant and equipment	3	2	(18)	1
Net loss (gain) on disposal of investment properties	685	(56)	644	(102)
Net foreign exchange gain	(16,326)	(1,901)	(16,914)	(1,439)

## **Revenue and cost of sales**

The profit attributable to equity holders of the Company grew by 10.5% to S\$228.7 million in 9M 2010 and 20.8% to S\$110.1 million in 3Q 2010 from the corresponding periods last year mainly due to the lower land appreciation tax ("LAT") incurred and a larger contribution from wholly-owned projects.

Revenue of the Group, net of business tax, was S\$1.3 billion in 9M 2010 and S\$527.3 million in 3Q 2010 as compared to S\$1.4 billion in 9M 2009 and S\$583.4 million in 3Q 2009 representing a decline of 4.6% and 9.6% respectively which was mainly attributable to a smaller gross floor area ("GFA") delivered in 9M 2010 and in 3Q 2010 as compared with the corresponding periods in 2009. The average selling price ("ASP") per square metre ("sqm") in both 9M 2010 and 9M 2009 remained constant.



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Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased by S\$43.3 million to S\$618.1 million in 9M 2010 from S\$574.8 million in 9M 2009. Similarly, cost of sales rose to S\$316.0 million in 3Q 2010 from S\$274.8 million in 3Q 2009. The higher cost of sales in 9M 2010 was due to the change in the composition of product mix, whereby a relatively higher development cost project was delivered.

The Group derived substantially all its revenue from the sale of residential properties while a fraction came from the rental of investment properties, provision of property management services and other ancillary services.

## **Other operating income**

Other operating income, which mainly included interest income, government subsidies, dividend income from available-for-sale investment and net foreign exchange gain, increased by S\$12.6 million in 3Q 2010 and S\$14.0 million in 9M 2010 as compared to the respective periods last year. The increase was mainly due to the higher net foreign exchange gain from the translation of US\$ Senior Notes due 2017 and interest income which offset a decrease in subsidies from the PRC government.

## **Selling expenses**

Selling expenses, which mainly included staff cost, advertising, promotion and exhibition expenses, grew by S\$1.8 million and S\$0.6 million in 3Q 2010 and 9M 2010 respectively as compared with the corresponding periods last year, mainly because of an increase in bonuses paid for FY 2009 sales performance as well as an increased number of marketing workforce and sales locations in the current reporting periods.

## **Administrative expenses**

Administrative expenses, which primarily included staff cost, travel, entertainment, legal and professional fees, other tax, rental, depreciation, office expenses and bank charges, increased by S\$2.4 million in 3Q 2010 and S\$5.8 million in 9M 2010 as compared to the respective periods in 2009. The increase was mainly a result of higher employees' incentive bonuses and staff headcount to facilitate the Group's long term business expansion as well as the commitment fee of bank loan facilities.



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## **Other operating expenses**

Other operating expenses remained constant at S\$0.5 million and S\$0.4 million in both 3Q 2010 and 3Q 2009. In 9M 2010, these expenses reported an increase of S\$7.2 million as compared to the respective period last year. The increase in 9M 2010 was mainly attributable to a fair value loss on an investment property in Shanghai, Yanlord Plaza (仁恒广场) and the loss incurred on the early redemption of convertible notes due in 2012 in 1Q 2010.

## **Finance cost**

Finance cost, net of capitalised interest, decreased by S\$0.5 million in 3Q 2010 over the respective period last year. The finance cost in 9M 2010 however increased by S\$6.5 million as compared to 9M 2009. The increase in 9M 2010 was primarily due to an increase in the interest expense charged to the finance cost in the income statement, for the period when the funds had yet to be used to finance property development projects, in particular, a result of the issuance of US\$300.0 million 9.5% Senior Notes due 2017 in 2Q 2010. In accordance with the Group's accounting policy, the finance cost used to finance the development of the Group's properties, was capitalised. Hence, the finance cost recorded in the income statements for a given period may not be reflective of the Group's actual level of borrowings.

## **Income tax**

Income tax, which included statutory enterprise income tax, LAT and dividend withholding tax, declined by S\$77.2 million in 3Q 2010 and S\$101.7 million in 9M 2010 as compared with respective periods in 2009 mainly due to the decrease in LAT incurred and dividend withholding tax. The lower LAT incurred was a result of fewer higher-profit-margin properties delivered in the 3Q 2010 and 9M 2010. Furthermore, in 2Q 2009, the Group made a provision on dividend withholding tax in relation to the profits earned from 1 January 2008 to 30 June 2009 which led to a relatively higher withholding tax in 9M 2009 as compared with the current reporting period.



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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 2010

	GROUP		COMPANY	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	36,806	34,997	-	-
Investment properties	701,605	667,480	-	-
Properties for development	2,970,525	1,954,692	-	-
Investments in subsidiaries	-	-	515,319	515,319
Investments in jointly controlled entities	38,584	28,340	-	-
Available-for-sale investment	9,776	10,220	-	-
Intangible asset	117	125	-	-
Deferred tax assets	23,425	17,254	-	-
<b>Total non-current assets</b>	<b>3,780,838</b>	<b>2,713,108</b>	<b>515,319</b>	<b>515,319</b>
<b>Current assets</b>				
Inventories	594	523	-	-
Completed properties for sale	228,414	240,364	-	-
Properties under development for sale	2,684,184	2,111,133	-	-
Trade receivables	3,452	1,621	-	-
Other receivables and deposits	193,562	112,686	2	-
Non-trade amounts due from:				
Subsidiaries	-	-	2,097,777	1,532,930
Jointly controlled entities	25	25	-	-
An associate	17	-	-	-
Minority shareholders of subsidiaries	228,477	163,008	-	-
Other related parties	197	110	-	-
Held-for-trading investment	1,849	2,017	-	-
Pledged bank deposits	1,030	5,042	-	-
Cash and bank balances	1,137,857	1,357,059	1,488	247,244
<b>Total current assets</b>	<b>4,479,658</b>	<b>3,993,588</b>	<b>2,099,267</b>	<b>1,780,174</b>
<b>Total assets</b>	<b>8,260,496</b>	<b>6,706,696</b>	<b>2,614,586</b>	<b>2,295,493</b>



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	GROUP		COMPANY	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and reserves</b>				
Share capital	1,455,089	1,454,576	1,455,089	1,454,576
Reserves	960,986	920,379	(6,498)	60,022
Equity attributable to equity holders of the Company	2,416,075	2,374,955	1,448,591	1,514,598
Minority interests	1,463,655	810,082	-	-
<b>Total capital and reserves</b>	<b>3,879,730</b>	<b>3,185,037</b>	<b>1,448,591</b>	<b>1,514,598</b>
<b>Non-current liabilities</b>				
Bank loans – due after one year	1,277,015	507,083	-	-
Convertible notes	349,997	664,808	349,997	664,808
Senior notes	388,500	-	388,500	-
Deferred tax liabilities	140,899	118,875	-	-
Non-trade amount due to:				
A minority shareholder of a subsidiary	10,103	40,592	-	-
<b>Total non-current liabilities</b>	<b>2,166,514</b>	<b>1,331,358</b>	<b>738,497</b>	<b>664,808</b>
<b>Current liabilities</b>				
Trade payables	510,660	364,544	-	-
Other payables	865,727	1,081,362	20,724	10,765
Non-trade amounts due to:				
A subsidiary	-	-	402,814	99,992
Directors	3,997	5,319	3,960	5,280
A shareholder	-	50	-	50
Minority shareholders of subsidiaries	44,226	30,655	-	-
Income tax payable	605,559	457,687	-	-
Bank loans – due within one year	184,083	250,684	-	-
<b>Total current liabilities</b>	<b>2,214,252</b>	<b>2,190,301</b>	<b>427,498</b>	<b>116,087</b>
<b>Total equity and liabilities</b>	<b>8,260,496</b>	<b>6,706,696</b>	<b>2,614,586</b>	<b>2,295,493</b>



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

	GROUP	
	As at 30.09.2010	As at 31.12.2009
	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	121,038	93,505
Unsecured	102,203	184,654
Sub-total 1	223,241	278,159
Amount repayable after one year:-		
Secured	808,266	434,598
Unsecured	1,210,226	770,763
Sub-total 2	2,018,492	1,205,361
Total debt	2,241,733	1,483,520

### Details of any collateral

Secured borrowings are generally secured by the borrowing companies' 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 September 2010

	3Q 2010	3Q 2009	9M 2010	9M 2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	198,882	287,941	634,795	747,883
Adjustments for:				
Allowance for doubtful debts and bad debts written off	-	-	2	-
Depreciation expense	1,113	1,049	3,273	3,362
Dividend income from available-for-sale investment	(1,128)	(1,193)	(1,128)	(1,193)
Fair value loss on an investment property	-	-	3,359	-
Fair value (gain) loss on held-for-trading investment	(293)	289	47	(647)
Finance cost	8,272	8,744	19,736	13,275
Interest income	(3,608)	(1,769)	(7,368)	(3,798)
Loss on redemption of convertible notes	-	-	3,732	-
Net loss (gain) on disposal of property, plant and equipment	3	2	(18)	1
Net loss (gain) on disposal of investment properties	685	(56)	644	(102)
Share of loss of jointly controlled entities	33	27	115	27
Share of loss of an associate	502	-	502	-
Operating cash flows before movements in working capital	204,461	295,034	657,691	758,808
Properties for development	(537,607)	(126,787)	(1,687,438)	(256,688)
Inventories	(116)	(65)	(71)	(145)
Completed properties for sale	24,752	119,641	4,901	133,320
Properties under development for sale	112,389	(32,200)	5,496	8,937
Trade and other receivables and deposits	(72,256)	(14,950)	(83,039)	(12,363)



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	3Q 2010	3Q 2009	9M 2010	9M 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Trade and other payables	(234,172)	256,838	(47,245)	642,924
Cash (used in) generated from operations	(502,549)	497,511	(1,149,705)	1,274,793
Interest paid	(25,846)	(12,166)	(105,156)	(44,755)
Income tax paid	(76,278)	(81,426)	(140,348)	(166,413)
Net cash (used in) from operating activities	(604,673)	403,919	(1,395,209)	1,063,625
<b>Investing activities</b>				
Investment in jointly controlled entities	(12,070)	(6,245)	(12,070)	(6,245)
Investment in an associate	(502)	-	(502)	-
Dividend received from available-for-sale investment	1,128	1,193	1,128	1,193
Interest received	3,587	1,329	6,850	2,648
Decrease in pledged bank deposits	1,103	81,614	4,012	1,770
Proceeds on disposal of property, plant and equipment	122	8	173	170
Proceeds on disposal of investment properties	2,824	701	4,021	1,539
Purchase of property, plant and equipment	(1,857)	(267)	(4,221)	(1,578)
Payment for investment properties	(11,689)	-	(70,847)	-
Repayment from (advance to) jointly controlled entities	5	(344)	(2)	(344)
Advance to an associate	(3)	-	(17)	-
Repayment from (advance to) minority shareholders of subsidiaries	4,385	(73,467)	(71,150)	(161,035)
Advance to other related party	(95)	-	(95)	(38)
Net cash (used in) from investing activities	(13,062)	4,522	(142,720)	(161,920)
<b>Financing activities</b>				
Dividend paid	-	-	(32,651)	(22,525)
Dividend paid to minority shareholders of subsidiaries	-	(7,852)	-	(7,852)
Net (expenses) proceeds on issue of new shares	-	(345)	-	225,724



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	3Q 2010	3Q 2009	9M 2010	9M 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Net proceeds on issue of new shares under				
Pre-IPO Share Option Scheme	276	1,141	368	1,141
Net proceeds on issue of convertible notes	-	369,515	-	369,515
Net proceeds on issue of senior notes	-	-	403,102	-
Proceeds from bank loans	268,635	76,386	1,014,646	468,803
Repayment of bank loans	(86,355)	(229,023)	(267,049)	(665,247)
Redemption of convertible notes	-	-	(314,500)	-
Repayment to directors	(3,562)	(338)	(1,322)	(4,359)
Advance from (repayment to) a shareholder	-	25	(50)	(4,420)
Repayment to minority shareholders of				
subsidiaries	(21,574)	(1,926)	(17,098)	(1,809)
Cash injection from minority shareholders of				
subsidiaries	307,271	-	646,316	279,919
Return of minority shareholder's share of				
reserves	-	(10,083)	-	(10,083)
<b>Net cash from financing activities</b>	<b>464,691</b>	<b>197,500</b>	<b>1,431,762</b>	<b>628,807</b>
Net (decrease) increase in cash and cash				
equivalents	(153,044)	605,941	(106,167)	1,530,512
Cash and cash equivalents at beginning of				
period	1,428,746	1,274,600	1,357,059	375,741
Effect of exchange rate changes on the balance				
of cash held in foreign currencies	(137,845)	(33,105)	(113,035)	(58,817)
<b>Cash and cash equivalents at end of period</b>	<b>1,137,857</b>	<b>1,847,436</b>	<b>1,137,857</b>	<b>1,847,436</b>



# YANLORD LAND GROUP LIMITED

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

## Unaudited Group Statements of Comprehensive Income for the Period Ended 30 September 2010

	3Q 2010	3Q 2009	9M 2010	9M 2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit for the period</b>	119,218	131,118	296,546	307,903
<b>Other comprehensive expense:</b>				
Currency translation difference	(234,379)	(83,111)	(193,245)	(68,427)
<b>Other comprehensive expense for the period</b>	(234,379)	(83,111)	(193,245)	(68,427)
<b>Total comprehensive (expense) income for the period</b>	(115,161)	48,007	103,301	239,476
<b>Total comprehensive (expense) income attributable to:</b>				
Equity holders of the Company	(54,191)	28,839	96,044	157,460
Minority interests	(60,970)	19,168	7,257	82,016
	(115,161)	48,007	103,301	239,476



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## Unaudited Company Statements of Comprehensive Income for the Period Ended 30 September 2010

	3Q 2010	3Q 2009	9M 2010	9M 2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>(Loss) profit for the period</b>	(110,035)	(36,955)	(11,083)	14,243
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive (expense) income for the period</b>	(110,035)	(36,955)	(11,083)	14,243
<b>Total comprehensive (expense) income attributable to:</b>				
Equity holders of the Company	(110,035)	(36,955)	(11,083)	14,243
Minority interests	-	-	-	-
	(110,035)	(36,955)	(11,083)	14,243



# YANLORD LAND GROUP LIMITED

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

## Unaudited Group Statements of Changes in Equity for the Period Ended 30 September 2010

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2010</b>	1,454,576	7,832	108,972	94,842	(386,571)	(57,507)	1,152,811	2,374,955	810,082	3,185,037
Total comprehensive income for the period	-	288	-	-	-	-	18,764	19,052	3,579	22,631
Issuance of shares under Pre-IPO Share										
Option Scheme	128	-	(36)	-	-	-	-	92	-	92
Redemption of convertible notes	-	-	(22,641)	-	-	-	-	(22,641)	-	(22,641)
Capital injection by minority shareholders	-	-	-	-	-	-	-	-	179,447	179,447
Appropriations	-	-	-	(46,001)	-	-	46,001	-	-	-
<b>Balance at 31 March 2010</b>	1,454,704	8,120	86,295	48,841	(386,571)	(57,507)	1,217,576	2,371,458	993,108	3,364,566
Total comprehensive income for the period	-	31,301	-	-	-	-	99,882	131,183	64,648	195,831
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	159,598	159,598
Dividends	-	-	-	-	-	-	(32,651)	(32,651)	-	(32,651)
Appropriations	-	-	-	259	-	-	(259)	-	-	-
<b>Balance at 30 June 2010</b>	1,454,704	39,421	86,295	49,100	(386,571)	(57,507)	1,284,548	2,469,990	1,217,354	3,687,344



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	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total comprehensive (expense) income for the period	-	(164,291)	-	-	-	-	110,100	(54,191)	(60,970)	(115,161)
Issuance of shares under Pre-IPO Share Option Scheme	385	-	(109)	-	-	-	-	276	-	276
Capital injection by minority shareholders	-	-	-	-	-	-	-	-	307,271	307,271
Appropriations	-	-	-	184	-	-	(184)	-	-	-
<b>Balance at 30 September 2010</b>	<b>1,455,089</b>	<b>(124,870)</b>	<b>86,186</b>	<b>49,284</b>	<b>(386,571)</b>	<b>(57,507)</b>	<b>1,394,464</b>	<b>2,416,075</b>	<b>1,463,655</b>	<b>3,879,730</b>



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(Company Reg. No. 200601911K)

## Unaudited Group Statements of Changes in Equity for the Period Ended 30 September 2009

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2009</b>	1,226,168	83,675	49,859	69,178	(386,571)	(48,628)	875,644	1,869,325	461,051	2,330,376
Total comprehensive income for the period	-	119,320	-	-	-	-	24,267	143,587	53,543	197,130
Change of interest in a subsidiary	-	-	-	-	-	(8,879)	-	(8,879)	8,879	-
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	173,503	173,503
<b>Balance at 31 March 2009</b>	1,226,168	202,995	49,859	69,178	(386,571)	(57,507)	899,911	2,004,033	696,976	2,701,009
Total comprehensive (expense) income for the period	-	(106,537)	-	-	-	-	91,571	(14,966)	9,305	(5,661)
Issuance of shares pursuant to offering exercise, net of expenses	226,069	-	-	-	-	-	-	226,069	-	226,069
Capital injection by a minority shareholder	-	-	-	-	-	-	-	-	106,416	106,416
Dividends	-	-	-	-	-	-	(22,525)	(22,525)	-	(22,525)
Appropriations	-	-	-	26,011	-	-	(26,011)	-	-	-
<b>Balance at 30 June 2009</b>	1,452,237	96,458	49,859	95,189	(386,571)	(57,507)	942,946	2,192,611	812,697	3,005,308





# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total comprehensive (expense) income for the period	-	(62,286)	-	-	-	-	91,125	28,839	19,168	48,007
Expenses incurred for issuance of shares pursuant to offering exercise	(345)	-	-	-	-	-	-	(345)	-	(345)
Issuance of shares under Pre-IPO Share Option Scheme	1,592	-	(451)	-	-	-	-	1,141	-	1,141
Recognition of equity component of convertible notes, net of expenses	-	-	59,874	-	-	-	-	59,874	-	59,874
Return of minority shareholder's share of reserves	-	-	-	-	-	-	-	-	(10,083)	(10,083)
Dividends declared to a minority shareholder	-	-	-	-	-	-	-	-	(7,852)	(7,852)
Appropriations	-	-	-	(282)	-	-	282	-	-	-
<b>Balance at 30 September 2009</b>	<b>1,453,484</b>	<b>34,172</b>	<b>109,282</b>	<b>94,907</b>	<b>(386,571)</b>	<b>(57,507)</b>	<b>1,034,353</b>	<b>2,282,120</b>	<b>813,930</b>	<b>3,096,050</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 2010

	Share capital	Equity reserve	Accumulated (losses) profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2010</b>	1,454,576	108,972	(48,950)	1,514,598
Total comprehensive expense for the period	-	-	(17,022)	(17,022)
Issuance of shares under Pre-IPO Share Option Scheme	128	(36)	-	92
Redemption of convertible notes	-	(22,641)	-	(22,641)
<b>Balance at 31 March 2010</b>	1,454,704	86,295	(65,972)	1,475,027
Total comprehensive income for the period	-	-	115,974	115,974
Dividends	-	-	(32,651)	(32,651)
<b>Balance at 30 June 2010</b>	1,454,704	86,295	17,351	1,558,350
Total comprehensive expense for the period	-	-	(110,035)	(110,035)
Issuance of shares under Pre-IPO Share Option Scheme	385	(109)	-	276
<b>Balance at 30 September 2010</b>	1,455,089	86,186	(92,684)	1,448,591



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 2009

	Share capital	Equity reserve	Accumulated (losses) profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2009</b>	1,226,168	49,859	(14,766)	1,261,261
Total comprehensive income for the period	-	-	41,018	41,018
<b>Balance at 31 March 2009</b>	1,226,168	49,859	26,252	1,302,279
Total comprehensive income for the period	-	-	10,180	10,180
Issuance of shares pursuant to offering exercise, net of expenses	226,069	-	-	226,069
Dividends	-	-	(22,525)	(22,525)
<b>Balance at 30 June 2009</b>	1,452,237	49,859	13,907	1,516,003
Total comprehensive expense for the period	-	-	(36,955)	(36,955)
Expenses incurred for issuance of shares pursuant to offering exercise	(345)	-	-	(345)
Issuance of shares under Pre-IPO Share Option Scheme	1,592	(451)	-	1,141
Recognition of equity component of convertible notes, net of expenses	-	59,874	-	59,874
<b>Balance at 30 September 2009</b>	1,453,484	109,282	(23,048)	1,539,718



# YANLORD LAND GROUP LIMITED

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

## Share Capital

As at 30 September 2010, the issued and fully paid-up share capital of the Company, net of expenses, was S\$1.5 billion (30 June 2010: S\$1.5 billion). Movements in the Company's issued ordinary shares during the financial period were as follows:

	Number of ordinary shares	
	'000	S\$'000
As at 31 December 2009	1,943,424	1,454,576
As at 1 July 2010	1,943,524	1,454,704
Issuance of shares under Pre-IPO Share Option Scheme	300	385
As at 30 September 2010	1,943,824	1,455,089

The Company did not hold any treasury shares as at 30 September 2010 and 31 December 2009.

## Share Options

The options to take up the unissued ordinary shares in the capital of the Company under the Company's Pre-IPO Share Option Scheme as at 30 September 2010 were as follows:

Date of grant of options	Exercise price per share (S\$)	No. of option shares outstanding as at 01.07.2010	No. of option shares lapsed	No. of option shares exercised	No. of option shares outstanding as at 30.09.2010
21.06.2006	0.92	5,212,000	Nil	300,000	4,912,000



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## Convertible Notes Due 2012

The Company had in February 2007 issued S\$477.3 million convertible notes due in 2012 (“Notes 2012” and each, a “Note 2012”) at a conversion price of S\$2.7531 per share. With effect from 1 June 2007, the conversion price was adjusted from S\$2.7531 per share to S\$2.71 per share and with effect from 5 June 2009, from S\$2.71 per share to S\$2.65 per share. With effect from 1 June 2010, the conversion price was further adjusted from S\$2.65 to S\$2.62 per share.

In February 2010, the holders of S\$314.5 million outstanding Notes 2012 exercised their redemption option. As of 30 September 2010, S\$23.8 million Notes 2012 remained outstanding for conversion into ordinary shares. No Note 2012 has been converted into ordinary shares in 3Q 2010.

Based on the conversion price of S\$2.62 (30 September 2009: S\$2.65) per share and assuming the Notes 2012 are fully converted, the number of new ordinary shares to be issued would be approximately 9,064,885 shares as at 30 September 2010 (30 September 2009: 127,641,509 shares).

## Convertible Notes Due 2014

The Company had in July 2009 issued S\$375.0 million convertible notes due in 2014 (“Notes 2014” and each, a “Note 2014”) at a conversion price of S\$2.6208 per share. With effect from 1 June 2010, the conversion price was adjusted from S\$2.6208 per share to S\$2.59 per share.

As of 30 September 2010, S\$375.0 million Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 has been converted into ordinary shares in 3Q 2010.

Based on the conversion price of S\$2.59 (30 September 2009: S\$ 2.6208) per share and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 144,787,644 shares as at 30 September 2010 (30 September 2009: 143,086,080).

**1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to Note 1(e)(ii).



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

Not applicable.

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

The figures for the third quarter and nine months ended 30 September 2010 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 financial statements for the current financial period compared to those in the audited financial statements for the year ended 31 December 2009, except as disclosed in Note 5 below.

**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, the effect of, the change**

Since 1 January 2010, the Group has adopted the relevant revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are effective for the annual financial periods beginning on or after 1 July 2009. The adoption of these revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial period.



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The following are the revised FRSs that are relevant to the Group and the Company:

FRS 27 (Revised) – Consolidation and Separate Financial Statements

FRS 103 (Revised) – Business Combinations

The revised FRS 27 and FRS 103 will be applied prospectively and therefore there will be no impact on prior periods in the Group's financial statements for the year ending 31 December 2010.

**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 minority interests attributable to the equity holders of the Company after deducting any provision for preference dividends.**

	GROUP		GROUP	
	3Q 2010	3Q 2009	9M 2010	9M 2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>EPS based on Group profit attributable to equity holders of the Company:</b>				
<b>(i) On the weighted average number of shares (S\$)</b>	5.66 cents	4.69 cents	11.77 cents	11.06 cents
<b>- Weighted average number of shares ('000)</b>	1,943,727	1,941,773	1,943,582	1,870,567
<b>(ii) On a fully diluted basis (S\$)</b>	5.25 cents	4.43 cents	10.84 cents	10.45 cents
<b>- Adjusted weighted average number of shares ('000)</b>	2,100,084	2,073,753	2,114,635	2,000,000



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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 period reported on; and**
- (ii) immediately preceding financial year**

	GROUP		COMPANY	
	30.09.2010 (Unaudited)	31.12.2009 (Unaudited)	30.09.2010 (Unaudited)	31.12.2009 (Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period/year (S\$)</b>	1.24	1.22	0.75	0.78

**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 2010 vs. 3Q 2009**

The Group recorded revenue of S\$527.3 million in 3Q 2010 representing a decrease of 9.6% or S\$56.1 million over the corresponding period in 2009. While GFA delivered to customers declined in 3Q 2010 as compared to 3Q 2009 which is in line with the Group's delivery schedule, ASP per sqm in 3Q 2010 grew as compared to 3Q 2009. Revenue from Yanlord Riverside Plaza (Phase 1) (海河广场一期) in Tianjin accounted for 68.2% of the Group's gross revenue derived from the sales of properties in 3Q 2010, while Yanlord Riverside City (Phase 3) (仁恒河滨城三期) in Shanghai and Yanlord Peninsula (Apartment – Phase 2) (星屿仁恒二期) in Suzhou accounted for 19.9% and 8.5% respectively.

Following the lower revenue recognised and higher cost of sales as mentioned above and in Note 1(a), gross profit was lower at S\$211.3 million in 3Q 2010 as compared to S\$308.6 million in 3Q 2009. As such, gross profit margin declined to 40.1% in 3Q 2010 from 52.9% in 3Q 2009.





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Profit before income tax and profit for the period decreased to S\$198.9 million and S\$119.2 million in 3Q 2010 respectively, as a result of lower gross profit. Profit before income tax margin decreased to 37.7% in 3Q 2010 from 49.4% in 3Q 2009, however, profit for the period margin increased to 22.6% in 3Q 2010 from 22.5% in 3Q 2009 mainly due to the decrease in income tax as mentioned in Note 1(a).

## **9M 2010 vs. 9M 2009**

Revenue decreased by 4.6% or S\$63.2 million at S\$1.3 billion in 9M 2010 as compared to S\$1.4 billion in 9M 2009. The decrease in revenue was mainly driven by the reduction in GFA delivered. The main revenue contributors in 9M 2010 were Yanlord Riverside City (Phase 3) (仁恒河滨城三期) in Shanghai, Yanlord Riverside Plaza (Phase 1) (海河广场一期) in Tianjin, Yanlord Peninsula (Apartment – Phase 2) (星屿仁恒二期) in Suzhou and Yunjie Riverside Gardens (Phase 2) (运杰河滨花园二期) in Shanghai, representing 46.3%, 27.3%, 8.4% and 8.1% respectively to the Group's gross revenue from properties sold in 9M 2010.

Gross profit declined by 13.1% to S\$704.4 million in 9M 2010 from S\$810.8 million in 9M 2009, in tandem with the revenue. The gross profit margin declined to 53.3% in 9M 2010 as compared to 58.5% in 9M 2009 mainly due to a change in the composition of product mix, whereby a lower percentage of high-profit-margin project at Yanlord Riverside City (Phase 3) (仁恒河滨城三期) in Shanghai was delivered as compared to the corresponding period last year.

Subsequent to the increase in certain administrative expenses and finance cost as mentioned in Note 1(a), profit before income tax reduced to S\$634.8 million in 9M 2010 from S\$747.9 million in 9M 2009. A 48.0% profit before income tax margin reported in 9M 2010, representing 6.0 percentage points decrease over the comparable period last year.

The Group's profit for the period in 9M 2010 decreased by S\$11.4 million or 3.7% to S\$296.5 million as compared to 9M 2009. However, profit for the period margin increased to 22.4% in 9M 2010 from 22.2% in 9M 2009 mainly due to the decrease in income tax as mentioned in Note 1(a).



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- b) any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.

## STATEMENTS OF FINANCIAL POSITION

### Convertible notes

Convertible notes decreased by S\$314.8 million to S\$350.0 million as at 30 September 2010 as compared to S\$664.8 million as at 31 December 2009, principally attributable to the redemption of Notes 2012 as exercised by the holders in 1Q 2010. The difference between the nominal value of convertible notes of S\$398.8 million (as mentioned in Note 1(e)(ii) of S\$23.8 million for Notes 2012 and S\$375.0 million for Notes 2014) and the book value of S\$350.0 million (as recorded herein) was mainly attributable to the fair value of conversion options (recorded as “Reserves” in the statements of financial position in accordance with the relevant accounting standards) and the cumulative interest charged.

### Senior notes

The carrying amount of the senior notes due 2017 which were issued in 2Q 2010 was S\$388.5 million as at 30 September 2010. Transaction costs 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.

## STATEMENTS OF CASH FLOWS

### Net cash used in/from operating activities

The Group recorded a net cash outflow from operating activities of S\$604.7 million in 3Q 2010 and S\$1.4 billion in 9M 2010 as compared to cash inflow of S\$403.9 million in 3Q 2009 and S\$1.1 billion in 9M 2009 respectively mainly attributable to the increase in investments in its landbank for future development. In 3Q 2010, the Group paid land costs for several projects, namely Chengdu Jinjiang Panchenggang Land (成都锦江攀成钢地块), Shanghai Qingpu Xujing Town Land (上海青浦徐泾镇地块), Tangshan Nanhu Eco-City Land Parcels (唐山市南湖生态城地块) and Tianjin Yanlord Riverside Plaza (Phase 2) (海河广场二期).



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## Net bank loan drawdown/repayment

Net bank loan drawdown/repayment represented proceeds from bank loans net of repayment of bank loans. Net cash inflow from banks of S\$182.3 million in 3Q 2010 and S\$747.6 million in 9M 2010 were recorded as compared with the net cash outflow to banks of S\$152.6 million in 3Q 2009 and S\$196.4 million in 9M 2009. The drawdown amounts were considered necessary to finance the continued land acquisition for land bank expansion and payment of construction cost for the various projects under development.

## **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

Despite the uncertainty in the global economy arising from continued weakness of the US and European economies, the PRC economy continues to exhibit strong growth trends with GDP rising 10.6% to RMB26.9 trillion in 9M 2010, based on statistics released by the PRC National Bureau of Statistics. Underscored by this sustained expansion of the domestic economy, total investment in residential developments for 9M 2010 rose 33.8% year on year to RMB2.4 trillion, while transacted property prices across 70 major cities in September 2010 grew 9.1% year on year.

While near-term market sentiments in the property industry may be volatile following the recent austerity measures introduced by the PRC central government, the Group remains confident about the long term potential of the PRC real estate sector that is driven by the sustained development of the PRC economy and believes that the recent measures introduced will serve as a firm platform that encourages the long term development of the PRC real estate sector.



# YANLORD LAND GROUP LIMITED

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## COMPANY OUTLOOK

As at 30 September 2010, the Group has received advances for pre-sold properties (recorded as "Other payables" in the statements of financial position), amounting to approximately S\$778.8 million. Based on existing sales contracts of these pre-sold units, the total pre-contracted sales amounting to S\$950.1 million as at 30 September 2010 will be progressively recognised as revenue in the subsequent quarters.

Subsequent to the end of the period, the Group successfully launched the inaugural batch of apartment units at Yanlord Townhouse (仁恒怡庭) in Shanghai in October 2010. Despite prevailing market uncertainties arising from the Chinese government policies targeted at cooling the PRC real estate sector, the launch opened to a strong response from the market with opening day pre-sale proceeds of approximately RMB1.8 billion for 80.0% or 134 of the 167 units launched. ASP of approximately RMB60,086 per sqm was achieved for the 29,787.2 sqm GFA sold. Riding on this strong sales momentum, the Group will launch the next batch of apartment units in Yanlord Townhouse (仁恒怡庭) commencing from early 2011.

Capitalising on the sustained expansion of the PRC real estate industry, the Group will continue to launch new batches of its existing projects in 4Q 2010, namely, Yanlord G53 Apartment (仁恒G53公寓), formerly known as Nanjing Hexi Land (南京河西地块), in Nanjing and Yunjie Riverside Gardens (Phase 2) (运杰河滨花园二期) in Shanghai and Yanlord New City Gardens (Phase 2) (仁恒星园二期) in Zhuhai.

### Outlook

Given the volatilities in the global economy and the recent tightening measures of the government's credit 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. Led by an experienced and dedicated management team with extensive industry knowledge of the PRC real estate sector, the Group will continue to focus on its business strategies and comparative advantages in the development of quality residential apartments in prime locations within high growth PRC cities. This will best allow for the sustainable growth of the Group's core business segments and capitalise on the long term growth prospects of the PRC real estate sector.



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Barring any 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 units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.

## 11. Dividend

- (a) Any dividend declared for the current financial period reported on? Nil.
- (b) Any dividend declared for the corresponding period of the immediately preceding financial year?  
Nil.
- (c) Date payable: Not applicable.
- (d) Books closure date: Not applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the period under review.

## 13. Confirmation of the Board of Directors ("Board")

We refer to the requirement under Rule 705(4) 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 third quarter and nine months financial results of the Group for the period ended 30 September 2010 to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer

Chan Yiu Ling  
Director

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer  
10 November 2010