



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2012 FINANCIAL STATEMENTS ANNOUNCEMENT

TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
1(a)	Unaudited Group Income Statements	2-5
1(b)(i)	Statements of Financial Position	6-7
1(b)(ii)	Aggregate Amount of Group's Borrowings and Debt Securities	8
1(c)	Unaudited Consolidated Statements of Cash Flows	9-11
1(d)	Unaudited Statements of Comprehensive Income	12-13
1(e)(i)	Unaudited Statements of Changes in Equity	14-16
1(e)(ii)(iii)(iv)	Details of Any Changes in Company's Issued Share Capital	17-18
2&3	Audit Statement	19
4&5	Changes in Accounting Policies	19
6	Earnings per Share	20
7	Net Asset Value per Share	20
8	Review of Performance	21-23
9	Variance from Previous Forecast or Prospect Statement	23
10	Outlook and Prospects	23-24
11&12	Dividend	25
13	Interested Person Transactions Mandate	25
14	Confirmation of the Board of Directors	25



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

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 June 2012

	2Q 2012	2Q 2011	% Change	1H 2012	1H 2011	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	2,732,441	664,441	311	3,198,494	3,597,415	(11)
Cost of sales	(1,779,728)	(250,321)	611	(2,075,425)	(2,239,695)	(7)
Gross profit	952,713	414,120	130	1,123,069	1,357,720	(17)
Other operating income	566,565	83,575	578	739,905	132,233	460
Selling expenses	(35,012)	(33,395)	5	(66,938)	(69,311)	(3)
Administrative expenses	(89,787)	(90,182)	0	(179,135)	(198,451)	(10)
Other operating expenses	(1,774)	(1,031)	72	(2,788)	(2,299)	21
Finance cost	(36,013)	(83,353)	(57)	(71,998)	(145,459)	(51)
Share of loss of jointly controlled entities	(1,542)	(22)	6909	(2,361)	(520)	354
Profit before income tax	1,355,150	289,712	368	1,539,754	1,073,913	43
Income tax	(517,681)	(183,560)	182	(565,724)	(545,113)	4
Profit for the period	837,469	106,152	689	974,030	528,800	84
Profit attributable to:						
Equity holders of the Company	735,579	40,804	1703	871,216	308,686	182
Non-controlling interests	101,890	65,348	56	102,814	220,114	(53)
	837,469	106,152	689	974,030	528,800	84



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation expense	8,327	7,517	16,534	14,416
Dividend income from available-for-sale investment	(5,120)	-	(5,120)	-
Dividend income from held-for-trading investment	(91)	(94)	(91)	(94)
Fair value gain on an investment property	(474,387)	-	(474,387)	-
Fair value (gain) loss on held-for-trading investment	(3,824)	469	(4,889)	375
Finance cost	36,013	83,353	71,998	145,459
Interest income	(10,738)	(13,661)	(19,201)	(24,928)
Net gain on disposal of property, plant and equipment	(1,991)	(2,098)	(8,426)	(2,063)
Net loss on disposal of investment properties	455	334	516	557
Net gain on disposal of available-for-sale investment	(129,946)	-	(129,946)	-
Net foreign exchange loss (gain)	62,731	(64,073)	(69,732)	(98,916)

Revenue and cost of sales

Total pre-contracted sales grew by 20.2% or RMB1.295 billion to RMB7.718 billion as at 30 June 2012 as compared with RMB6.423 billion as at 30 June 2011. These pre-contracted sales are expected to be progressively recognised as revenue in the subsequent quarters.

Revenue of the Group, net of business tax, increased considerably by 311.2% or RMB2.068 billion to RMB2.732 billion in 2Q 2012 as compared to 2Q 2011 primarily due to the significant increase in gross floor area ("GFA") delivered while average selling price ("ASP") per square metre ("sqm") remained similar in both 2Q 2012 and 2Q 2011. The higher GFA in 2Q 2012 was mainly attributable to the inaugural delivery of Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Lakeview Bay – Land Parcel A7 (仁恒双湖湾 – A7 地块) in Suzhou and Bayside Gardens (御澜湾苑) in Shanghai, as well as new units delivered in Yanlord Townhouse (仁恒怡庭) in



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai. Despite higher ASP per sqm achieved in 1H 2012 over the corresponding period in 2011, lower GFA delivered in 1H 2012 resulted in a decline in the Group's revenue to RMB3.198 billion from RMB3.597 billion in 1H 2011.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased to RMB1.780 billion in 2Q 2012 from RMB250 million in 2Q 2011 and decreased to RMB2.075 billion in 1H 2012 from RMB2.240 billion in 1H 2011, in tandem with the movement in GFA delivered to customers in the corresponding periods.

Another contributor to the revenue was from the rental of investment properties, provision of property management services and other ancillary services.

Other operating income

Other operating income, which mainly included fair value gain on an investment property, net gain on disposal of available-for-sale investment, net foreign exchange gain, interest income and government subsidies, grew by RMB483 million to RMB567 million in 2Q 2012 and by RMB608 million to RMB740 million in 1H 2012 over the relevant periods in 2011. The increase in incomes in 2Q 2012 and 1H 2012 were in large part due to the valuation gain on a commercial property of Yanlord Riverside Plaza (海河广场) in Tianjin and net gain on disposal of available-for-sale investment in Shanghai. However, the higher other operating income in 2Q 2012 was partly offset by a net foreign exchange loss in 2Q 2012.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, increased slightly by RMB2 million to RMB35 million in 2Q 2012 and decreased slightly by RMB2 million to RMB67 million in 1H 2012 over the same periods in 2011.

Administrative expenses

Administrative expenses, which mainly included staff costs, utilities, entertainment, professional fees, other taxes, rental and depreciation, recorded at RMB90 million in both 2Q 2012 and 2Q 2011. Compared with 1H 2011, administrative expenses in 1H 2012 declined by RMB19 million to RMB179 million principally attributable to the decline in staff bonuses partly offset by higher other taxes.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Other operating expenses

Compared with the same periods in 2011, other operating expenses remained stable at RMB2 million in 2Q 2012 and RMB3 million in 1H 2012.

Finance cost

Finance cost, net of capitalised interest, declined by RMB47 million to RMB36 million in 2Q 2012 and by RMB73 million to RMB72 million in 1H 2012 over the respective periods in 2011. The lower finance cost in current reporting periods were mainly attributable to the capitalisation of interest expenses on senior notes due 2017 and 2018 as all the funds had been utilised to finance property development projects and thus the interests were fully capitalised in current reporting periods instead of charging to the finance cost in the income statement in corresponding periods in 2011. 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

In line with the increase in profit before income tax, the Group's income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, recorded higher at RMB518 million in 2Q 2012 and RMB566 million in 1H 2012 as compared to RMB184 million in 2Q 2011 and RMB545 million in 1H 2011.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

Statements of Financial Position as at 30 June 2012

	GROUP		COMPANY	
	30.06.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)	30.06.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	775,087	768,468	-	-
Investment properties	7,752,544	7,079,370	-	-
Properties for development	16,622,234	19,728,223	-	-
Investments in subsidiaries	-	-	2,560,620	2,508,521
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	339,352	341,713	-	-
Available-for-sale investment	-	49,348	-	-
Intangible asset	613	613	-	-
Deferred tax assets	129,347	138,114	-	-
Total non-current assets	25,619,177	28,105,849	2,560,620	2,508,521
Current assets				
Inventories	21,131	12,827	-	-
Completed properties for sale	4,394,106	2,125,680	-	-
Properties under development for sale	19,155,552	16,674,133	-	-
Trade receivables	46,255	31,571	-	-
Other receivables and deposits	441,903	233,804	275	268
Non-trade amounts due from:				
Subsidiaries	-	-	11,659,103	12,024,249
Associate	158	131	-	-
Non-controlling shareholders of subsidiaries	434,819	451,978	-	-
Other related party	571	486	-	-
Held-for-trading investment	9,601	4,712	-	-
Pledged bank deposits	10,334	5,092	-	-
Cash and cash equivalents	4,901,511	4,273,644	4,500	1,502
Total current assets	29,415,941	23,814,058	11,663,878	12,026,019
Total assets	55,035,118	51,919,907	14,224,498	14,534,540



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	GROUP		COMPANY	
	30.06.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)	30.06.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)
<u>EQUITY AND LIABILITIES</u>				
Capital and reserves				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	8,297,335	7,553,064	(290,149)	(179,022)
Equity attributable to equity holders of the Company	15,559,061	14,814,790	6,971,577	7,082,704
Non-controlling interests	9,345,512	9,216,095	-	-
Total capital and reserves	24,904,573	24,030,885	6,971,577	7,082,704
Non-current liabilities				
Bank loans – due after one year	6,367,951	7,362,137	-	284,653
Convertible notes	316,109	-	316,109	-
Senior notes	4,349,196	4,327,241	4,349,196	4,327,241
Deferred tax liabilities	1,034,185	968,712	-	-
Non-trade amount due to:				
Non-controlling shareholders of subsidiaries	216,000	216,000	-	-
Total non-current liabilities	12,283,441	12,874,090	4,665,305	4,611,894
Current liabilities				
Bank loans – due within one year	3,441,342	2,947,693	229,971	147,900
Convertible notes	1,405,118	1,790,388	1,405,118	1,790,388
Trade payables	3,885,076	3,301,308	-	-
Other payables	5,853,619	3,868,406	152,833	157,144
Non-trade amounts due to:				
Subsidiary	-	-	691,126	713,330
Directors	30,831	31,222	30,832	31,180
Shareholder	77,736	-	77,736	-
Non-controlling shareholders of subsidiaries	432,280	241,649	-	-
Income tax payable	2,721,102	2,834,266	-	-
Total current liabilities	17,847,104	15,014,932	2,587,616	2,839,942
Total equity and liabilities	55,035,118	51,919,907	14,224,498	14,534,540



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	GROUP	
	As at 30.06.2012	As at 31.12.2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	3,059,807	2,549,793
Unsecured	1,990,008	2,314,181
Sub-total 1	5,049,815	4,863,974
Amount repayable after one year:-		
Secured	4,714,896	5,410,453
Unsecured	6,514,360	6,474,925
Sub-total 2	11,229,256	11,885,378
Total debt	16,279,071	16,749,352

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' construction-in-progress, investment properties, properties for development, properties under development for sale, completed properties for sale and bank deposits.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

Unaudited Consolidated Statements of Cash Flows for the Period Ended 30 June 2012

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	1,355,150	289,712	1,539,754	1,073,913
Adjustments for:				
Depreciation expense	8,327	7,517	16,534	14,416
Dividend income from available-for-sale investment	(5,120)	-	(5,120)	-
Dividend income from held-for-trading investment	(91)	(94)	(91)	(94)
Fair value gain on an investment property	(474,387)	-	(474,387)	-
Fair value (gain) loss on held-for-trading investment	(3,824)	469	(4,889)	375
Finance cost	36,013	83,353	71,998	145,459
Interest income	(10,738)	(13,661)	(19,201)	(24,928)
Net gain on disposal of property, plant and equipment	(1,991)	(2,098)	(8,426)	(2,063)
Net loss on disposal of investment properties	455	334	516	557
Net gain on disposal of available-for-sale investment	(129,946)	-	(129,946)	-
Payable written off	-	-	(10,774)	-
Share of loss of jointly controlled entities	1,542	22	2,361	520
Operating cash flows before movements in working capital	775,390	365,554	978,329	1,208,155



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Properties for development	(478,518)	(1,019,059)	(907,617)	(1,773,292)
Inventories	(3,337)	(2,945)	(8,304)	(5,909)
Completed properties for sale	398,979	(67,089)	615,716	(32,839)
Properties under development for sale	18,648	(1,119,455)	(950,262)	(215,887)
Trade and other receivables and deposits	(122,240)	232,330	(211,501)	278,323
Trade and other payables	1,174,650	488,685	2,559,340	(691,448)
Cash generated from (used in) operations	1,763,572	(1,121,979)	2,075,701	(1,232,897)
Interest paid	(261,099)	(216,319)	(622,556)	(368,531)
Income tax paid	(353,349)	(339,462)	(607,378)	(624,653)
Net cash from (used in) operating activities	1,149,124	(1,677,760)	845,767	(2,226,081)
Investing activities				
Dividend received from available-for-sale investment	5,120	-	5,120	-
Dividend received from held-for-trading investment	91	94	91	94
Interest received	8,298	12,425	14,128	22,402
(Increase) Decrease in pledged bank deposits	(7,769)	(2)	(5,242)	351
Proceeds on disposal of property, plant and equipment	2,774	3,832	11,592	8,894
Proceeds on disposal of investment properties	1,206	3,711	61,591	9,792
Proceeds on disposal of available-for-sale investment	179,294	-	179,294	-
Purchase of property, plant and equipment	(18,674)	(16,099)	(24,289)	(23,958)
Payment for investment properties	(15,443)	-	(20,207)	-
Advance to an associate	(29)	(53)	(29)	(53)
Repayment from jointly controlled entities	22	28	-	-
Repayment from (Advance to) non-controlling shareholders of subsidiaries	18,868	(12,474)	112,151	(13,854)
Net cash from (used in) investing activities	173,758	(8,538)	334,200	3,668



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Financing activities				
Dividend paid	-	(122,428)	-	(122,428)
Dividend paid to a non-controlling shareholder of a subsidiary	-	-	(150,187)	(8,470)
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme	-	17,947	-	21,794
Net (expenses) proceeds on issue of senior notes	-	(16)	-	2,580,481
Proceeds from bank loans	609,596	1,571,500	1,618,937	3,040,300
Repayment of bank loans	(1,633,668)	(3,199,228)	(2,141,632)	(3,639,728)
Redemption of convertible notes	-	-	(119,489)	-
Advance from jointly controlled entities	-	49,858	-	49,858
(Repayment to) Advance from directors	(1,835)	6,922	(391)	15,113
(Repayment to) Advance from a shareholder	(1,079)	-	75,929	
Advance from (Repayment to) non-controlling shareholders of subsidiaries	-	4,161	(55,911)	4,221
Cash injection from non-controlling shareholders of subsidiaries	135,285	-	280,213	-
Net cash (used in) from financing activities	(891,701)	(1,671,284)	(492,531)	1,941,141
Net increase (decrease) in cash and cash equivalents	431,181	(3,357,582)	687,436	(281,272)
Cash and cash equivalents at beginning of period	4,404,185	8,834,164	4,273,644	5,814,453
Effect of exchange rate changes on the balance of cash held in foreign currencies	66,145	(112,493)	(59,569)	(169,092)
Cash and cash equivalents at end of period	4,901,511	5,364,089	4,901,511	5,364,089



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

Unaudited Group Statements of Comprehensive Income for the Period Ended 30 June 2012

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	837,469	106,152	974,030	528,800
Other comprehensive income				
(expense):				
Currency translation difference	46,858	(36,644)	(121,092)	(58,788)
Other comprehensive income				
(expense) for the period	46,858	(36,644)	(121,092)	(58,788)
Total comprehensive income for				
the period	884,327	69,508	852,938	470,012
Total comprehensive income				
attributable to:				
Equity holders of the Company	783,549	3,954	744,687	249,692
Non-controlling interests	100,778	65,554	108,251	220,320
	884,327	69,508	852,938	470,012



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Comprehensive Income for the Period Ended 30 June 2012

	2Q 2012	2Q 2011	1H 2012	1H 2011
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss) Profit for the period	(235,390)	845,894	(259,609)	836,206
Other comprehensive (expense) income:				
Currency translation difference	(67,847)	79,242	148,482	187,372
Other comprehensive (expense) income for the period	(67,847)	79,242	148,482	187,372
Total comprehensive (expense) income for the period	(303,237)	925,136	(111,127)	1,023,578
Total comprehensive (expense) income attributable to:				
Equity holders of the Company	(303,237)	925,136	(111,127)	1,023,578
Non-controlling interests	-	-	-	-
	(303,237)	925,136	(111,127)	1,023,578



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2012

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2012	7,261,726	(202,149)	408,041	556,575	(1,834,019)	(336,814)	8,961,430	14,814,790	9,216,095	24,030,885
Total comprehensive expense for the period	-	(174,499)	-	-	-	-	135,637	(38,862)	7,473	(31,389)
Change of interest in a subsidiary	-	-	-	-	-	(416)	-	(416)	(478)	(894)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	144,928	144,928
Appropriations	-	-	-	953	-	-	(953)	-	-	-
Balance at 31 March 2012	7,261,726	(376,648)	408,041	557,528	(1,834,019)	(337,230)	9,096,114	14,775,512	9,368,018	24,143,530
Total comprehensive income for the period	-	47,970	-	-	-	-	735,579	783,549	100,778	884,327
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	135,285	135,285
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(258,569)	(258,569)
Appropriations	-	-	-	191,370	-	-	(191,370)	-	-	-
Balance at 30 June 2012	7,261,726	(328,678)	408,041	748,898	(1,834,019)	(337,230)	9,640,323	15,559,061	9,345,512	24,904,573



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2011

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2011	7,231,236	(547,905)	416,737	263,315	(1,834,019)	(336,747)	7,894,678	13,087,295	6,743,089	19,830,384
Total comprehensive income for the period	-	(22,144)	-	-	-	-	267,882	245,738	154,766	400,504
Issuance of shares under Pre-IPO Share										
Option Scheme	5,370	-	(1,523)	-	-	-	-	3,847	-	3,847
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(8,470)	(8,470)
Balance at 31 March 2011	7,236,606	(570,049)	415,214	263,315	(1,834,019)	(336,747)	8,162,560	13,336,880	6,889,385	20,226,265
Total comprehensive income for the period	-	(36,850)	-	-	-	-	40,804	3,954	65,554	69,508
Issuance of shares under Pre-IPO Share										
Option Scheme	25,120	-	(7,173)	-	-	-	-	17,947	-	17,947
Change of interest in a subsidiary	-	-	-	-	-	(67)	-	(67)	67	-
Dividends	-	-	-	-	-	-	(122,428)	(122,428)	-	(122,428)
Balance at 30 June 2011	7,261,726	(606,899)	408,041	263,315	(1,834,019)	(336,814)	8,080,936	13,236,286	6,955,006	20,191,292



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2012

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2012	7,261,726	(151,630)	408,041	(435,433)	7,082,704
Total comprehensive income for the period	-	216,329	-	(24,219)	192,110
Balance at 31 March 2012	7,261,726	64,699	408,041	(459,652)	7,274,814
Total comprehensive expense for the period	-	(67,847)	-	(235,390)	(303,237)
Balance at 30 June 2012	7,261,726	(3,148)	408,041	(695,042)	6,971,577

Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2011

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated (losses) profits RMB'000	Total RMB'000
Balance at 1 January 2011	7,231,236	163,457	416,737	(636,888)	7,174,542
Total comprehensive income for the period	-	108,130	-	(9,688)	98,442
Issuance of shares under Pre-IPO Share Option Scheme	5,370	-	(1,523)	-	3,847
Balance at 31 March 2011	7,236,606	271,587	415,214	(646,576)	7,276,831
Total comprehensive income for the period	-	79,242	-	845,894	925,136
Issuance of shares under Pre-IPO Share Option Scheme	25,120	-	(7,173)	-	17,947
Dividends	-	-	-	(122,428)	(122,428)
Balance at 30 June 2011	7,261,726	350,829	408,041	76,890	8,097,486



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

Share Capital

As at 30 June 2012, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 March 2012: RMB7.262 billion). Details of the Company's issued ordinary shares at the end of the relevant financial periods were as follows:

	Number of ordinary shares	
	'000	RMB'000
As at 31 December 2011	1,948,736	7,261,726
As at 1 April 2012 and 30 June 2012	1,948,736	7,261,726

Convertible Notes Due 2012

The Company had in February 2007 issued S\$477 million convertible notes due 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 to S\$2.71 per share and with effect from 5 June 2009, from S\$2.71 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 and with effect from 6 June 2011, from S\$2.62 to S\$2.59 per share.

Based on the conversion price of S\$2.59 per share and assuming the remaining S\$24 million outstanding Notes 2012 as at 30 June 2011 are fully converted, the number of new ordinary shares to be issued would be approximately 9,169,884 shares as at 30 June 2011.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

In February 2012, the Company had fully redeemed the remaining S\$24 million outstanding Notes 2012 in accordance with the terms set out in the Indenture dated 6 February 2007. No Note 2012 was outstanding for conversion into ordinary shares as at the end of the current financial period.

Convertible Notes Due 2014

The Company had in July 2009 issued S\$375 million convertible notes due 2014 (“Notes 2014” and each, a “Note 2014”) at a conversion price of S\$2.6208 per share. With effect from 1 June 2010, the conversion price was adjusted from S\$2.6208 to S\$2.59 per share and with effect from 6 June 2011, from S\$2.59 to S\$2.56 per share.

As of 30 June 2012, RMB1.863 billion (equivalent to S\$375 million) Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 was converted into ordinary shares during the current financial period.

Based on the conversion price of S\$2.56 per share (30 June 2011: S\$2.56) and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 146,484,375 shares as at 30 June 2012 (30 June 2011: 146,484,375 shares).

Treasury Shares

The Company did not hold any treasury shares as at 30 June 2012 and 30 June 2011.

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

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

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

Not applicable.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

The figures for the second quarter and half year ended 30 June 2012 have neither been audited nor reviewed by the auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the unaudited financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2011, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2012. The adoption of these new and revised FRSs has no material effect on the unaudited financial statements for the current financial period.

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

There have been no changes in accounting policies and methods of computation.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

6. Earnings per ordinary share (EPS) of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, based on profit after tax and non-controlling interests attributable to the equity holders of the Company after deducting any provision for preference dividends.

	GROUP		GROUP	
	2Q 2012 (Unaudited)	2Q 2011 (Unaudited)	1H 2012 (Unaudited)	1H 2011 (Unaudited)
EPS based on Group's profit attributable to equity holders of the Company:				
(i) On the weighted average				
number of shares (RMB)	37.75 cents	2.10 cents	44.71 cents	15.87 cents
- Weighted average number of shares ('000)	1,948,736	1,945,575	1,948,736	1,944,997
(ii) On a fully diluted basis (RMB)				
- Adjusted weighted average number of shares ('000)	2,095,221	2,091,898	2,097,035	2,100,481

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

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

	GROUP		COMPANY	
	30.06.2012 (Unaudited)	31.12.2011 (Unaudited)	30.06.2012 (Unaudited)	31.12.2011 (Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	7.98	7.60	3.58	3.63



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

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

2Q 2012 vs. 2Q 2011

Due to significant increase in GFA delivered to customers, revenue in 2Q 2012 grew more than fourfold to RMB2.732 billion as compared to RMB664 million in 2Q 2011. Three new projects, namely Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Lakeview Bay – Land Parcel A7 (仁恒双湖湾 – A7 地块) in Suzhou and Bayside Gardens (御澜湾苑) in Shanghai, generated new revenue streams to the Group in 2Q 2012 which accounted for the Group's gross revenues from the sales of properties of 28.0%, 23.1% and 10.4% respectively. The existing projects, namely Yanlord Townhouse (仁恒怡庭) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, also contributed 18.3% and 16.1% respectively to the Group's overall performance in 2Q 2012.

The Group achieved a 130.1% or RMB539 million growth in gross profit to RMB953 million in 2Q 2012, in line with the improved revenue streams. Gross profit margin was lower at 34.9% in current reporting period as compared to 62.3% in 2Q 2011 as a result of the change in composition of product mix.

Driven by the increase in GFA delivery, the valuation gain on an investment property of Yanlord Riverside Plaza (海河广场) in Tianjin and the net gain on disposal of available-for-sale investment in Shanghai as mentioned in Note 1(a) above, profit before income tax grew considerably by 367.8% or RMB1.065 billion to RMB1.355 billion in 2Q 2012 over the respective period in 2011. The margin also increased to 49.6% in 2Q 2012 from 43.6% in 2Q 2011.

Hence, profit for the period and the margin increased to RMB837 million and 30.6% respectively, which represented an increase of RMB731 million and 14.6 percentage points respectively as compared to 2Q 2011.

1H 2012 vs. 1H 2011

In line with the lower GFA delivered to customers in 1H 2012, the Group's revenue was lower at



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

RMB3.198 billion as compared to RMB3.597 billion in 1H 2011. Similarly, revenue in 1H 2012 was derived mainly from the inaugural delivery of Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Lakeview Bay – Land Parcel A7 (仁恒双湖湾 – A7 地块) in Suzhou and Bayside Gardens (御澜湾苑) in Shanghai, as well as from the existing development of Yanlord Townhouse (仁恒怡庭) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which represented 24.8%, 20.5%, 9.2%, 23.0% and 14.9% respectively of the Group's sales of properties in 1H 2012.

The lower GFA delivered further translated to a lower Group gross profit at RMB1.123 billion in 1H 2012 as compared to RMB1.358 billion in 1H 2011. The gross profit margin declined slightly to 35.1% in 1H 2012 from 37.7% in 1H 2011.

Profit before income tax reported at RMB1.540 billion mainly attributable to the income from the sales of properties to customers, the fair value gain on Yanlord Riverside Plaza (海河广场) in Tianjin and the net gain on disposal of available-for-sale investment, which represented an increase of 43.4% or RMB466 million as compared with 1H 2011. Profit before income tax margin increased by 18.2 percentage points to 48.1% in 1H 2012 over the corresponding period in 2011.

In tandem with the improved performance, profit for the period in 1H 2012 increased by RMB445 million to RMB974 million, while the margin increased by 15.8 percentage points to 30.5% as compared with 1H 2011.

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

As at 30 June 2012, convertible notes reported at RMB1.721 billion as compared with RMB1.790 billion as at 31 December 2011. The difference between the nominal value of convertible notes of RMB1.863 billion as mentioned in Note 1(e)(ii) for Notes 2014 and the book value of RMB1.721 billion (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).



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Other payables

Other payables, which mainly included advances received from customers, increased by 51.3% or RMB1.985 billion to RMB5.854 billion as at 30 June 2012 from RMB3.868 billion as at 31 December 2011 mainly due to an increase in pre-sales proceeds received from customers.

STATEMENTS OF CASH FLOWS

Net cash generated from operating activities

The Group improved its net cash position in operating activities and recorded net cash surplus of RMB1.149 billion in 2Q 2012 and RMB846 million in 1H 2012 as compared to net cash outflow of RMB1.678 billion and RMB2.226 billion in the respective periods in 2011, which represented net cash increases of RMB2.827 billion and RMB3.072 billion respectively. The main contributors to the increases were the relatively lower payment on construction and land bank in current reporting periods over the same periods in 2011. The higher advances received from customers as compared with 1H 2011 contributed further to the improved net operating cash surplus in 1H 2012.

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

Weakness in the global economy is expected to continue to weigh on the development of the People's Republic of China ("PRC") economy. To better mitigate against potential weaknesses which may arise, the PRC central government has in recent months introduced various credit easing measures such as relaxation on bank reserve ratio requirements and interest rate reductions to further stimulate economic development.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

COMPANY OUTLOOK

Based on the existing sales contracts of the pre-sold units, the total pre-contracted sales amounting to RMB7.718 billion as at 30 June 2012 are expected to be progressively recognised as revenue in the subsequent quarters. The Group has received advances for pre-sold properties (recorded as “Other payables” in the statements of financial position), amounting to RMB4.997 billion.

The Group will continue to launch a new project and new batches of its existing projects in 3Q 2012, namely, Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Lakeview Bay - Land Parcel A6 (仁恒双湖湾 – A6地块) in Suzhou and Tangshan Nanhu Eco-City - Land Parcel A9 (唐山南湖生态城 – A9地块).

Outlook

Given the continued challenges posed by volatilities in the global economy and pressures arising from austerity measures introduced by the PRC central government, the Group believes that its prudent financial policies coupled with a strong cash position will serve to better drive its sustained development. Led by an experienced and dedicated management team with extensive industry knowledge of the PRC real estate sector, the Group will continue to focus on its business strategies and comparative advantages in the development of quality residential apartments in prime locations within high growth PRC cities. This will best allow for the sustainable growth of the Group's core business segments and to capitalise on the long term growth prospects of the PRC real estate sector.

Barring any further significant deterioration in the global economy and any other unforeseen circumstances, the Board of Directors is confident of the Group's performance relative to the industry trend for the next reporting period and the next 12 months based on the number of units pre-sold to-date, expected delivery schedules and on-schedule construction works in progress.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

11. Dividend

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

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

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

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

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

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

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

We, Zhong Sheng Jian and Chan Yiu Ling, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited second quarter and half year financial results of the Group for the period ended 30 June 2012 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



仁恒
YANLORD

YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

ON BEHALF OF THE BOARD

Zhong Sheng Jian

Chairman and Chief Executive Officer

13 August 2012