



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012 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 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 September 2012

	3Q 2012	3Q 2011	% Change	9M 2012	9M 2011	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	2,510,244	709,332	254	5,708,738	4,306,747	33
Cost of sales	(1,614,341)	(360,582)	348	(3,689,766)	(2,600,277)	42
Gross profit	895,903	348,750	157	2,018,972	1,706,470	18
Other operating income	173,686	42,903	305	913,591	175,136	422
Selling expenses	(39,500)	(37,974)	4	(106,438)	(107,285)	(1)
Administrative expenses	(87,184)	(170,095)	(49)	(266,319)	(368,546)	(28)
Other operating expenses	(17,086)	(3,172)	439	(19,874)	(5,471)	263
Finance cost	(43,727)	(47,460)	(8)	(115,725)	(192,919)	(40)
Share of loss of jointly controlled entities	(1,393)	(40)	3383	(3,754)	(560)	570
Profit before income tax	880,699	132,912	563	2,420,453	1,206,825	101
Income tax	(374,188)	(104,302)	259	(939,912)	(649,415)	45
Profit for the period	506,511	28,610	1670	1,480,541	557,410	166
Profit attributable to:						
Equity holders of the Company	362,587	6,548	5437	1,233,803	315,234	291
Non-controlling interests	143,924	22,062	552	246,738	242,176	2
	506,511	28,610	1670	1,480,541	557,410	166



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

	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation expense	9,438	8,008	25,972	22,424
Dividend income from available-for-sale investment	-	(1,015)	(5,120)	(1,015)
Dividend income from held-for-trading investment	-	-	(91)	(94)
Fair value gain on investment properties	-	(127,321)	(474,387)	(127,321)
Fair value loss (gain) on held-for-trading investment	491	2,703	(4,398)	3,078
Finance cost	43,727	47,460	115,725	192,919
Interest income	(9,741)	(8,679)	(28,942)	(33,607)
Net (gain) loss on disposal of property, plant and equipment	(5,923)	61	(14,349)	(2,002)
Net loss (gain) on disposal of investment properties	7,905	(25)	8,421	532
Net gain on disposal of available-for-sale investment	-	-	(129,946)	-
Net foreign exchange (gain) loss	(119,561)	177,073	(189,293)	78,157

Revenue and cost of sales

The Group's revenue, net of business tax, increased significantly by 253.9% or RMB1.801 billion to RMB2.510 billion in 3Q 2012 as compared with RMB709 million in 3Q 2011. Resulting from the improved performance in 3Q 2012, revenue in 9M 2012 similarly grew by 32.6% or RMB1.402 billion to RMB5.709 billion over the corresponding period in 2011. These improved performances were mainly attributable to higher gross floor area ("GFA") delivered and average selling price ("ASP") per square metre ("sqm") achieved as compared with the respective periods last year. The higher ASP per sqm was largely due to the inclusion of higher-priced projects in the product mix composition of the current reporting periods as compared to the same periods last year.



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Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased to RMB1.614 billion in 3Q 2012 and RMB3.690 billion in 9M 2012 from RMB361 million in 3Q 2011 and RMB2.600 billion in 9M 2011 respectively. These increases were in tandem with the increase in GFA delivery and change in product mix composition, which included higher-priced projects with relatively higher development costs over the corresponding periods in 2011.

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

Other operating income

Other operating income, which mainly included fair value gain on investment properties, net foreign exchange gain and net gain on disposal of available-for-sale investment, increased by RMB131 million to RMB174 million in 3Q 2012 and by RMB738 million to RMB914 million in 9M 2012 as compared to the corresponding periods in 2011. The increase in 3Q 2012 was mainly due to net foreign exchange gain in current reporting period primarily arising from a depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency, partly offset by the fair value gain on investment properties in 3Q 2011. For 9M 2012, the increase in other operating income was principally attributable to the valuation gain on the commercial property of Yanlord Riverside Plaza (海河广场) in Tianjin, the net foreign exchange gain as mentioned herein as well as the net gain on disposal of available-for-sale investment in Shanghai.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, increased slightly by RMB2 million to RMB40 million in 3Q 2012 and decreased by RMB1 million to RMB106 million in 9M 2012 as compared to the respective periods last year.

Administrative expenses

Administrative expenses, which mainly included staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange loss. Excluding the net foreign exchange loss of RMB78 million in 3Q 2011 and 9M 2011, administrative expenses declined by RMB5 million to RMB87 million in 3Q 2012 and by RMB24 million to RMB266 million in 9M 2012 as compared to the same periods in 2011 principally attributable to the decline in staff bonuses partly offset by higher other taxes in 9M 2012.



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Other operating expenses

Other operating expenses grew by RMB14 million to RMB17 million in 3Q 2012 and to RMB20 million in 9M 2012 as compared with the respective periods last year, mainly attributable to a loss on the early redemption of convertible notes due 2014 (“Notes 2014”) and net loss on disposal of investment properties for the sales promotions of car park lots. In July 2012, the holders of S\$305 million outstanding Notes 2014, representing approximately 81% of S\$375 million outstanding Notes 2014, exercised their put options. As the liability component of the consideration paid was higher than its book value at the redemption date, the difference was recognised as a loss in the income statements for 3Q 2012.

Finance cost

Finance cost, net of capitalised interest, decreased by RMB4 million to RMB44 million in 3Q 2012 and by RMB77 million to RMB116 million in 9M 2012 as compared with the corresponding periods in 2011. The lower finance cost in 9M 2012 was mainly due 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 9M 2012 instead of charging to the finance cost in the income statement in 9M 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

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, grew in line with the increased profit before income tax by RMB270 million in 3Q 2012 and RMB290 million in 9M 2012 to RMB374 million and RMB940 million respectively as compared with the corresponding periods in 2011.



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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 2012

	GROUP		COMPANY	
	30.09.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)	30.09.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	795,441	768,468	-	-
Investment properties	7,777,881	7,079,370	-	-
Properties for development	16,118,975	19,728,223	-	-
Investments in subsidiaries	-	-	2,647,142	2,508,521
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	337,959	341,713	-	-
Available-for-sale investment	-	49,348	-	-
Intangible asset	613	613	-	-
Deferred tax assets	140,351	138,114	-	-
Total non-current assets	25,171,220	28,105,849	2,647,142	2,508,521
Current assets				
Inventories	21,176	12,827	-	-
Completed properties for sale	3,969,247	2,125,680	-	-
Properties under development for sale	20,147,376	16,674,133	-	-
Trade receivables	46,942	31,571	-	-
Other receivables and deposits	441,713	233,804	279	268
Non-trade amounts due from:				
Subsidiaries	-	-	11,124,917	12,024,249
Associate	215	131	-	-
Non-controlling shareholders of subsidiaries	437,230	451,978	-	-
Other related party	572	486	-	-
Held-for-trading investment	9,110	4,712	-	-
Pledged bank deposits	19,845	5,092	-	-
Cash and cash equivalents	3,376,726	4,273,644	18,667	1,502
Total current assets	28,470,152	23,814,058	11,143,863	12,026,019
Total assets	53,641,372	51,919,907	13,791,005	14,534,540



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	GROUP		COMPANY	
	30.09.2012 RMB'000 (Unaudited)	31.12.2011 RMB'000 (Audited)	30.09.2012 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	8,429,144	7,553,064	(160,544)	(179,022)
Equity attributable to equity holders of the Company	15,690,870	14,814,790	7,101,182	7,082,704
Non-controlling interests	9,608,264	9,216,095	-	-
Total capital and reserves	25,299,134	24,030,885	7,101,182	7,082,704
Non-current liabilities				
Bank loans – due after one year	6,813,683	7,362,137	339,422	284,653
Convertible notes	328,980	-	328,980	-
Senior notes	4,362,980	4,327,241	4,362,980	4,327,241
Deferred tax liabilities	1,071,996	968,712	-	-
Non-trade amount due to:				
Non-controlling shareholders of subsidiaries	216,000	216,000	-	-
Total non-current liabilities	12,793,639	12,874,090	5,031,382	4,611,894
Current liabilities				
Bank loans – due within one year	2,453,396	2,947,693	28,867	147,900
Convertible notes	-	1,790,388	-	1,790,388
Trade payables	3,600,508	3,301,308	-	-
Other payables	6,548,508	3,868,406	83,031	157,144
Non-trade amounts due to:				
Subsidiary	-	-	1,464,034	713,330
Directors	4,030	31,222	4,030	31,180
Shareholder	78,479	-	78,479	-
Non-controlling shareholders of subsidiaries	206,515	241,649	-	-
Income tax payable	2,657,163	2,834,266	-	-
Total current liabilities	15,548,599	15,014,932	1,658,441	2,839,942
Total equity and liabilities	53,641,372	51,919,907	13,791,005	14,534,540



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

	GROUP	
	As at 30.09.2012	As at 31.12.2011
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	2,286,890	2,549,793
Unsecured	338,044	2,314,181
Sub-total 1	2,624,934	4,863,974
Amount repayable after one year:-		
Secured	4,072,251	5,410,453
Unsecured	7,629,392	6,474,925
Sub-total 2	11,701,643	11,885,378
Total debt	14,326,577	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.



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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 2012

	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before income tax	880,699	132,912	2,420,453	1,206,825
Adjustments for:				
Depreciation expense	9,438	8,008	25,972	22,424
Dividend income from available-for-sale investment	-	(1,015)	(5,120)	(1,015)
Dividend income from held-for-trading investment	-	-	(91)	(94)
Fair value gain on investment properties	-	(127,321)	(474,387)	(127,321)
Fair value loss (gain) on held-for-trading investment	491	2,703	(4,398)	3,078
Gain on put option written off	(5,187)	-	(5,187)	-
Finance cost	43,727	47,460	115,725	192,919
Interest income	(9,741)	(8,679)	(28,942)	(33,607)
Loss on redemption of convertible notes	8,198	-	8,198	-
Net (gain) loss on disposal of property, plant and equipment	(5,923)	61	(14,349)	(2,002)
Net loss (gain) on disposal of investment properties	7,905	(25)	8,421	532
Net gain on disposal of available-for-sale investment	-	-	(129,946)	-
Payable written off	-	-	(10,774)	-
Waiver of interest expense	(27,430)	-	(27,430)	-
Share of loss of jointly controlled entities	1,393	40	3,754	560
Operating cash flows before movements in working capital	903,570	54,144	1,881,899	1,262,299



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	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Properties for development	(561,654)	(3,253,964)	(1,469,271)	(5,027,256)
Inventories	(45)	(3,952)	(8,349)	(9,861)
Completed properties for sale	180,833	(65,840)	796,549	(98,679)
Properties under development for sale	520,306	(317,510)	(429,956)	(533,397)
Trade and other receivables and deposits	1,562	(518,829)	(209,939)	(240,506)
Trade and other payables	474,053	1,622,858	3,033,393	931,410
Cash generated from (used in) operations	1,518,625	(2,483,093)	3,594,326	(3,715,990)
Interest paid	(272,817)	(318,474)	(895,373)	(687,005)
Income tax paid	(417,583)	(31,570)	(1,024,961)	(656,223)
Net cash from (used in) operating activities	828,225	(2,833,137)	1,673,992	(5,059,218)
Investing activities				
Dividend received from available-for-sale investment	-	1,015	5,120	1,015
Dividend received from held-for-trading investment	-	-	91	94
Interest received	7,208	7,121	21,336	29,523
(Increase) Decrease in pledged bank deposits	(9,511)	49	(14,753)	400
Proceeds on disposal of property, plant and equipment	8,926	61	20,518	8,955
Proceeds on disposal of investment properties	8,271	3,845	69,862	13,637
Proceeds on disposal of available-for-sale investment	-	-	179,294	-
Purchase of property, plant and equipment	(30,615)	(16,806)	(54,904)	(40,764)
Payment for investment properties	(41,512)	(10,170)	(61,719)	(10,170)
(Advance to) Repayment from an associate	(64)	6	(93)	(47)
Advance to jointly controlled entities	-	(150,000)	-	(150,000)
Repayment from non-controlling shareholders of subsidiaries	86,512	63,880	198,663	50,026
Net cash from (used in) investing activities	29,215	(100,999)	363,415	(97,331)



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	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Financing activities				
Dividend paid	-	-	-	(122,428)
Dividend paid to non-controlling shareholders of subsidiaries	(293,248)	-	(443,435)	(8,470)
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme	-	-	-	21,794
Net proceeds on issue of senior notes	-	-	-	2,580,481
Proceeds from bank loans	1,910,637	1,991,914	3,529,574	5,032,214
Repayment of bank loans	(2,466,067)	(176,715)	(4,607,699)	(3,816,443)
Redemption of convertible notes	(1,515,545)	-	(1,635,034)	-
Repayment to jointly controlled entities	-	(49,858)	-	-
Advance from directors	629	5,495	238	20,608
Advance from a shareholder	2,593	-	78,522	-
Repayment to non-controlling shareholders of subsidiaries	(24,565)	(56,880)	(80,476)	(52,659)
Cash injection from non-controlling shareholders of subsidiaries	124,638	450,039	404,851	450,039
Net cash (used in) from financing activities	(2,260,928)	2,163,995	(2,753,459)	4,105,136
Net decrease in cash and cash equivalents	(1,403,488)	(770,141)	(716,052)	(1,051,413)
Cash and cash equivalents at beginning of period	4,901,511	5,364,089	4,273,644	5,814,453
Effect of exchange rate changes on the balance of cash held in foreign currencies	(121,297)	155,363	(180,866)	(13,729)
Cash and cash equivalents at end of period	3,376,726	4,749,311	3,376,726	4,749,311



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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 2012

	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	506,511	28,610	1,480,541	557,410
Other comprehensive (expense) income:				
Currency translation difference	(132,622)	338,869	(253,714)	280,081
Other comprehensive (expense) income for the period	(132,622)	338,869	(253,714)	280,081
Total comprehensive income for the period	<u>373,889</u>	<u>367,479</u>	<u>1,226,827</u>	<u>837,491</u>
Total comprehensive income attributable to:				
Equity holders of the Company	235,775	337,912	980,462	587,604
Non-controlling interests	138,114	29,567	246,365	249,887
	<u>373,889</u>	<u>367,479</u>	<u>1,226,827</u>	<u>837,491</u>



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

	3Q 2012	3Q 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Profit (Loss) for the period	537	(327,902)	(259,072)	508,304
Other comprehensive income (expense):				
Currency translation difference	233,034	(423,871)	381,516	(236,499)
Other comprehensive income (expense) for the period	233,034	(423,871)	381,516	(236,499)
Total comprehensive income (expense) for the period	233,571	(751,773)	122,444	271,805
Total comprehensive income (expense) attributable to:				
Equity holders of the Company	233,571	(751,773)	122,444	271,805
Non-controlling interests	-	-	-	-
	233,571	(751,773)	122,444	271,805



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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 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



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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	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	-	(126,812)	-	-	-	-	362,587	235,775	138,114	373,889
Redemption of convertible notes	-	-	(103,966)	-	-	-	-	(103,966)	-	(103,966)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	124,638	124,638
Appropriations	-	-	-	10,428	-	-	(10,428)	-	-	-
Balance at 30 September 2012	7,261,726	(455,490)	304,075	759,326	(1,834,019)	(337,230)	9,992,482	15,690,870	9,608,264	25,299,134



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



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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	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	-	331,364	-	-	-	-	6,548	337,912	29,567	367,479
Capital injection by a non-controlling shareholder	-	-	-	-	-	-	-	-	450,039	450,039
Appropriations	-	-	-	278,313	-	-	(278,313)	-	-	-
Balance at 30 September 2011	7,261,726	(275,535)	408,041	541,628	(1,834,019)	(336,814)	7,809,171	13,574,198	7,434,612	21,008,810



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 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
Total comprehensive income for the period	-	233,034	-	537	233,571
Redemption of convertible notes	-	-	(103,966)	-	(103,966)
Balance at 30 September 2012	7,261,726	229,886	304,075	(694,505)	7,101,182

Unaudited Company Statements of Changes in Equity for the Period Ended 30 September 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
Total comprehensive expense for the period	-	(423,871)	-	(327,902)	(751,773)
Balance at 30 September 2011	7,261,726	(73,042)	408,041	(251,012)	7,345,713



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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 2012, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (30 June 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 July 2012 and 30 September 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 September 2011 are fully converted, the number of new ordinary shares to be issued would be approximately 9,169,884 shares as at 30 September 2011.



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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.

In July 2012, the holders of S\$305 million outstanding Notes 2014 exercised their put options. As of 30 September 2012, RMB360 million (equivalent to S\$70 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 September 2011: S\$2.56) and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 27,343,750 shares as at 30 September 2012 (30 September 2011: 146,484,375 shares).

Treasury Shares

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



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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 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.



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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 equity holders of the Company after deducting any provision for preference dividends.

	GROUP		GROUP	
	3Q 2012 (Unaudited)	3Q 2011 (Unaudited)	9M 2012 (Unaudited)	9M 2011 (Unaudited)
EPS based on Group's profit attributable to equity holders of the Company:				
(i) On the weighted average				
number of shares (RMB)	18.61 cents	0.34 cents	63.31 cents	16.20 cents
- Weighted average number of shares ('000)	1,948,736	1,948,736	1,948,736	1,946,257
(ii) On a fully diluted basis (RMB)				
- Adjusted weighted average number of shares ('000)	1,991,620	2,095,221	2,061,640	2,101,606

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	
	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	8.05	7.60	3.64	3.63



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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 2012 vs. 3Q 2011

Propelled by the higher GFA delivery, the Group's revenue grew 253.9% or RMB1.801 billion to RMB2.510 billion in 3Q 2012 over the corresponding period last year. Change in the product mix composition, which included relatively higher-priced projects, was another factor that supported the significant increase in revenue for 3Q 2012 as compared to 3Q 2011. The major projects included Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Bayside Gardens (御澜湾苑) in Shanghai and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which accounted for the Group's sales of properties of 51.6%, 18.0%, 10.9% and 7.0% respectively.

In tandem with the increase in revenue, gross profit recorded higher at RMB896 million in 3Q 2012 as compared to RMB349 million in 3Q 2011, which represented an increase of 156.9% or RMB547 million. Gross profit margin was 35.7% in 3Q 2012 as compared to 49.2% in 3Q 2011 primarily attributable to the change in product mix composition to include a portion of phase 1 projects in 3Q 2012 as compared to include almost all phase 2 projects in 3Q 2011 which had relatively higher profit margin.

Due to the higher recognised revenue and the net foreign exchange gain as mentioned above in Note 1(a), profit before income tax and its margin increased to RMB881 million and 35.1% respectively in 3Q 2012, which represented increases of RMB748 million and 16.4 percentage points respectively over the respective period in 2011.

Profit for the period and its margin grew by RMB478 million to RMB507 million and by 16.2 percentage points to 20.2% respectively over the same period in 2011, in line with the movement of profit before income tax.



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9M 2012 vs. 9M 2011

Due to the improved performance in 3Q 2012, revenue of the Group recorded higher at RMB5.709 billion, which represented an increase of 32.6% or RMB1.402 billion over the same period in 2011. Revenue for 9M 2012 was mainly generated from Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin, Yanlord Townhouse (仁恒怡庭) in Shanghai, Yanlord Lakeview Bay – Land Parcel A7 (仁恒双湖湾 – A7 地块) in Suzhou and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which contributed 23.0%, 21.8%, 13.5%, 13.3% and 11.3% respectively to the Group's sales performance in property development.

Gross profit grew by 18.3% or RMB313 million to RMB2.019 billion in 9M 2012 from RMB1.706 billion in 9M 2011 mainly attributable to the increase in ASP per sqm as a result of change in the product mix composition. The Group reported a 35.4% gross profit margin in 9M 2012, which remained stable as compared to 3Q 2012 or represented 4.2 percentage points decrease as compared to 9M 2011.

Driven by various favorable factors, in particular fair value gain on investment property, net foreign exchange gain, net gain on disposal of available-for-sale investment and lower finance cost as mentioned above in Note 1(a), as well as the improved gross profit, the Group's profit before income tax grew twofold to RMB2.420 billion in 9M 2012 from RMB1.207 billion in 9M 2011. As such, profit before income tax margin increased to 42.4% in 9M 2012 from 28.0% in 9M 2011, which represented 14.4 percentage points increase.

In line with the movement of profit before income tax, profit for the period and its margin was also higher at RMB1.481 billion and 25.9% respectively in 9M 2012, which grew by RMB923 million and 13.0 percentage points respectively as compared with 9M 2011.



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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 RMB1.461 billion to RMB329 million as at 30 September 2012 as compared to RMB1.790 billion as at 31 December 2011, principally attributable to the redemption of Notes 2014 as exercised by the holders in July 2012. The difference between the nominal value of convertible notes of RMB360 million as mentioned in Note 1(e)(ii) for Notes 2014 and the book value of RMB329 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).

Other payables

Other payables, which mainly included advances received from customers, increased by 69.3% or RMB2.680 billion to RMB6.549 billion as at 30 September 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 continued to improve its net cash position in operating activities and reported net cash surplus of RMB828 million in 3Q 2012 and RMB1.674 billion in 9M 2012 as compared to net cash outflow of RMB2.833 billion and RMB5.059 billion respectively in the corresponding periods in 2011, which represented net cash increases of RMB3.661 billion and RMB6.733 billion respectively. The improved cash positions were mainly attributable to the relatively lower payment on construction and land bank in current reporting periods over the corresponding periods last year. Other contributor to the significant increase in net cash surplus in 9M 2012 was the increase in sales proceeds received from customers over the same period in 2011.



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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 introduced various credit easing measures such as relaxation on bank reserve ratio requirements and interest rate reductions to further stimulate economic development.

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 RMB8.554 billion as at 30 September 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 RMB5.888 billion.



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The Group will continue to launch new batches of its existing projects in 4Q 2012, namely, Bayside Gardens (御澜湾苑) in Shanghai and Yanlord Lakeview Bay – Land Parcels A2 and A6 (仁恒双湖湾 – A2及A6地块) in Suzhou.

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.

11. Dividend

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

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

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



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

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

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

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

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

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer
12 November 2012