



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015 FINANCIAL STATEMENTS ANNOUNCEMENT

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# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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

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

#### Unaudited Consolidated Statements of Profit or Loss for the Period Ended 30 June 2015

	2Q 2015	2Q 2014	% Change	1H 2015	1H 2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	2,339,540	1,508,511	55	3,350,292	3,271,745	2
<b>Cost of sales</b>	(1,522,487)	(1,130,772)	35	(2,101,456)	(2,253,812)	(7)
<b>Gross profit</b>	817,053	377,739	116	1,248,836	1,017,933	23
Other operating income	22,477	19,423	16	181,032	140,043	29
Selling expenses	(65,397)	(53,253)	23	(140,385)	(103,431)	36
Administrative expenses	(60,596)	(108,314)	(44)	(299,957)	(243,625)	23
Other operating expenses	167	(605)	NM	(1,160)	(1,640)	(29)
Finance cost	(55,993)	(60,497)	(7)	(111,090)	(120,735)	(8)
Share of profit (loss) of joint ventures	34,830	(1,872)	NM	32,956	97,681	(66)
<b>Profit before income tax</b>	692,541	172,621	301	910,232	786,226	16
Income tax	(345,623)	(114,436)	202	(484,897)	(369,738)	31
<b>Profit for the period</b>	346,918	58,185	496	425,335	416,488	2
<b>Profit attributable to:</b>						
Owners of the Company	171,076	14,809	1055	186,531	280,810	(34)
Non-controlling interests	175,842	43,376	305	238,804	135,678	76
	346,918	58,185	496	425,335	416,488	2

NM: Not meaningful



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

	2Q 2015	2Q 2014	1H 2015	1H 2014
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation expense	11,740	7,739	19,821	15,644
Dividend income from held-for-trading investment	-	(119)	-	(119)
Fair value gain on investment properties	-	-	(125,917)	-
Fair value loss (gain) on held-for-trading investment	1,129	5,700	59	(2,553)
Finance cost	55,993	60,497	111,090	120,735
Interest income	(19,246)	(14,693)	(44,457)	(28,189)
Net gain on disposal of property, plant and equipment	(37)	(89)	(86)	(229)
Net (gain) loss on disposal of investment properties	(648)	(384)	308	(601)
Net foreign exchange (gain) loss	(59,046)	(4,864)	37,719	(100,981)

## Revenue and cost of sales

Driven by higher gross floor area ("GFA") delivered and average selling price ("ASP") per square metre ("sqm") achieved, the Group's revenue, net of business tax, recorded a commendable growth of 55.1% or RMB831 million to RMB2.340 billion in 2Q 2015 over the same period in 2014. Despite lower GFA delivered in 1H 2015 as compared to 1H 2014, revenue increased by 2.4% or RMB79 million to RMB3.350 billion in 1H 2015 mainly attributable to the higher ASP per sqm achieved in 1H 2015 over the same period in 2014. The higher ASP per sqm in 2Q 2015 and 1H 2015 were primarily attributed to the changes in product mix composition which included the delivery of a greater percentage of the higher-priced project, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, which accounted for 69.4% and 56.9% of the Group's gross revenue from the sales of properties in 2Q 2015 and 1H 2015 respectively.

Cost of sales is mainly comprised of land, construction and capitalised borrowing costs. In tandem with GFA delivered to customers during the current reporting periods, the cost of sales increased by RMB392 million to RMB1.522 billion in 2Q 2015 and decreased by RMB152 million to RMB2.101 billion in 1H 2015 as compared to the corresponding periods last year.



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Other contributors to the Group's revenue mainly included resettlement service fee income, rental of investment properties as well as provision of property management services and other ancillary services. Since 1Q 2015, the Group has recognised the resettlement service fee income derived from the resettlement deals for a land parcel adjacent to our integrated commercial development - Yanlord Landmark (仁恒置地广场) in Chengdu.

## **Other operating income**

Other operating income, which mainly included fair value gain on investment properties, net foreign exchange gain and interest income, grew slightly by RMB3 million to RMB22 million in 2Q 2015 and by RMB41 million to RMB181 million in 1H 2015 as compared to the corresponding periods in 2014. In 1H 2015, other operating income was derived mainly from the fair value gain on investment properties of RMB126 million as a result of reclassification of four commercial properties under development namely, Yanlord Rosemite (仁恒峦山美地花园) in Shenzhen, Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) in Shanghai and Yanlord Marina Peninsula Gardens (Phase 1 and 2) (仁恒滨海半岛花园一期及二期) in Zhuhai, into investment properties. In 1H 2014, the income was mainly attributable to the net foreign exchange gain of RMB101 million arising primarily from the depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency. Higher other operating income in 1H 2015 was also partly attributable to the increase in interest income driven by higher cash at bank balances in 1H 2015 over the same period in 2014.

## **Selling expenses**

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB12 million and RMB37 million to RMB65 million in 2Q 2015 and RMB140 million in 1H 2015 respectively as compared with the corresponding periods in 2014. Increases in such expenses were in-line with the Group's marketing strategies to support the continuing launches and deliveries of property units in current and subsequent quarters.

## **Administrative expenses**

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange effect. Excluding net foreign exchange effect, administrative expenses increased by 10.5% to RMB120 million in 2Q 2015 and by 7.6% to RMB262 million in 1H 2015 as compared to RMB108 million in 2Q 2014 and RMB244 million in 1H 2014 respectively.



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## **Finance cost**

Finance cost (net of capitalised interest), mainly comprised of interest expense incurred on completed investment properties, decreased by RMB5 million and RMB10 million to RMB56 million in 2Q 2015 and RMB111 million in 1H 2015 respectively over the corresponding periods in 2014. Lower finance cost incurred in current periods was primarily due to the decrease in loan balances in relation to completed investment properties and lower interest rates in the People's Republic of China ("PRC"). In accordance with the Group's accounting policy, the finance cost used to finance the development of the Group's properties would be capitalised. Hence, the finance cost recorded in the statements of profit or loss for a given period may not be reflective of the Group's actual level of borrowings.

## **Share of profit (loss) of joint ventures**

Share of profit (loss) of joint ventures represented contribution from our Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛), an urban development project to be progressively completed in phases. In 2Q 2015, the Group reported a RMB35 million share of profit of joint ventures as compared to RMB2 million share of loss in 2Q 2014. Share of profit decreased by RMB65 million to RMB33 million in 1H 2015 mainly attributable to the lower GFA delivered to customers in 1H 2015 as compared with 1H 2014.

## **Income tax**

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, was higher at RMB346 million in 2Q 2015 and RMB485 million in 1H 2015 as compared to RMB114 million in 2Q 2014 and RMB370 million in 1H 2014 respectively, in tandem with the increase in revenue and profit before income tax.



# YANLORD LAND GROUP LIMITED

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

## Statements of Financial Position as at 30 June 2015

	GROUP		COMPANY	
	30.06.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)	30.06.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,302,689	1,065,073	-	-
Investment properties	10,847,791	10,244,250	-	-
Properties for development	6,076,304	8,958,369	-	-
Investments in subsidiaries	-	-	2,348,824	2,390,874
Investment in an associate	-	-	-	-
Investments in joint ventures	726,969	694,013	-	-
Other receivables	457,170	304,876	-	-
Non-trade amount due from non-controlling shareholders of a subsidiary	221,401	210,642	-	-
Intangible asset	613	613	-	-
Deferred tax assets	460,059	370,340	-	-
Derivative financial instruments	-	1,426	-	-
Total non-current assets	20,092,996	21,849,602	2,348,824	2,390,874
<b>Current assets</b>				
Inventories	67,935	44,793	-	-
Completed properties for sale	4,771,407	5,221,147	-	-
Properties under development for sale	37,056,230	32,116,714	-	-
Trade receivables	44,678	39,118	-	-
Other receivables and deposits	1,699,317	583,587	3	1
Non-trade amounts due from:				
Subsidiaries	-	-	12,767,323	12,542,828
Associate	434	366	-	-
Non-controlling shareholders of subsidiaries	577,590	512,601	-	-
Other related parties	553	562	-	-
Income tax prepayment	767,300	324,619	-	-
Held-for-trading investment	13,544	13,610	-	-
Pledged bank deposits	52,446	29,842	-	-



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	GROUP		COMPANY	
	30.06.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)	30.06.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Cash and cash equivalents	7,977,769	6,590,084	20,276	3,535
Total current assets	53,029,203	45,477,043	12,787,602	12,546,364
<b>Total assets</b>	<b>73,122,199</b>	<b>67,326,645</b>	<b>15,136,426</b>	<b>14,937,238</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital, reserves and non-controlling interests</b>				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	12,030,074	11,913,045	(273,398)	(659,157)
Equity attributable to owners of the Company	19,291,800	19,174,771	6,988,328	6,602,569
Non-controlling interests	9,973,550	10,198,470	-	-
Total equity	29,265,350	29,373,241	6,988,328	6,602,569
<b>Non-current liabilities</b>				
Bank loans – due after one year	10,826,291	11,480,881	-	273,651
Senior notes	4,231,352	6,243,882	4,231,352	4,258,493
Deferred tax liabilities	1,687,768	1,648,103	-	-
Non-trade amount due to a non-controlling shareholder of subsidiaries	20,000	20,000	-	-
Total non-current liabilities	16,765,411	19,392,866	4,231,352	4,532,144
<b>Current liabilities</b>				
Bank loans – due within one year	2,513,493	2,081,398	285,147	14,674
Senior notes	1,943,187	-	-	-
Trade payables	6,244,408	5,496,168	-	-
Other payables	13,260,236	7,788,290	84,120	86,820
Non-trade amounts due to:				
Subsidiary	-	-	3,472,564	3,679,754
Ultimate holding company	54,924	-	54,924	-
Directors	19,991	21,277	19,991	21,277
Non-controlling shareholders of subsidiaries	354,563	189,833	-	-
Other related parties	4,996	1,996	-	-
Income tax payable	2,678,319	2,981,576	-	-
Derivative financial instruments	17,321	-	-	-
Total current liabilities	27,091,438	18,560,538	3,916,746	3,802,525
<b>Total equity and liabilities</b>	<b>73,122,199</b>	<b>67,326,645</b>	<b>15,136,426</b>	<b>14,937,238</b>



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

	<b>GROUP</b>	
	<b>As at 30.06.2015</b>	<b>As at 31.12.2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,557,310	1,305,170
Unsecured	3,043,051	866,789
Sub-total 1	4,600,361	2,171,959
Amount repayable after one year:-		
Secured	6,936,022	7,533,815
Unsecured	8,121,621	10,190,948
Sub-total 2	15,057,643	17,724,763
Total debt	19,658,004	19,896,722

### Details of any collateral

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





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

## Unaudited Consolidated Statements of Cash Flows for the Period Ended 30 June 2015

	2Q 2015	2Q 2014	1H 2015	1H 2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities</b>				
Profit before income tax	692,541	172,621	910,232	786,226
Adjustments for:				
Depreciation expense	11,740	7,739	19,821	15,644
Dividend income from held-for-trading investment	-	(119)	-	(119)
Fair value gain on investment properties	-	-	(125,917)	-
Fair value loss (gain) on held-for-trading investment	1,129	5,700	59	(2,553)
Finance cost	55,993	60,497	111,090	120,735
Interest income	(19,246)	(14,693)	(44,457)	(28,189)
Net gain on disposal of property, plant and equipment	(37)	(89)	(86)	(229)
Net (gain) loss on disposal of investment properties	(648)	(384)	308	(601)
Share of (profit) loss of joint ventures	(34,830)	1,872	(32,956)	(97,681)
Operating cash flows before movements in working capital	706,642	233,144	838,094	793,233
Properties for development	(81,920)	(833,312)	(260,689)	(2,480,908)
Inventories	448	(6,952)	(23,053)	(4,434)
Completed properties for sale	380,876	223,611	913,282	1,265,201
Properties under development for sale	(613,639)	(456,328)	(2,062,960)	(2,375,108)
Trade and other receivables and deposits	(767,376)	(133,844)	(1,316,354)	(324,178)
Trade and other payables	4,085,171	1,414,198	6,223,284	1,938,162
Cash generated from (used in) operations	3,710,202	440,517	4,311,604	(1,188,032)



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	2Q 2015	2Q 2014	1H 2015	1H 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Interest paid	(333,761)	(312,656)	(656,496)	(631,021)
Income tax paid	(780,040)	(447,238)	(1,270,667)	(1,182,505)
Net cash from (used in) operating activities	2,596,401	(319,377)	2,384,441	(3,001,558)

## Investing activities

Dividend received from held-for-trading investment	-	119	-	119
Interest received	8,693	9,840	34,044	30,409
Increase in pledged bank deposits	(264)	(3,704)	(22,604)	(1,557)
Proceeds on disposal of property, plant and equipment	120	238	264	742
Proceeds on disposal of investment properties	5,735	2,211	13,782	4,214
Payment for property, plant and equipment	(68,508)	(63,281)	(253,253)	(113,181)
Payment for investment properties	(68,693)	(54,004)	(129,553)	(75,680)
Advance to an associate	(46)	-	(68)	(12)
Repayment from joint ventures	-	-	-	230
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(205)	(1,452)	(53,563)	47,729
Net cash used in investing activities	(123,168)	(110,033)	(410,951)	(106,987)

## Financing activities

Dividends paid	(113,388)	(125,097)	(113,388)	(125,097)
Dividends paid to non-controlling shareholders of subsidiaries	(109,520)	(135,659)	(334,945)	(360,387)
Net proceeds on issue of senior notes	-	1,966,685	-	1,966,685
Proceeds from bank loans	1,182,282	2,301,799	1,931,038	4,075,813
Repayment of bank loans	(1,463,265)	(1,865,460)	(2,108,045)	(2,304,225)
Redemption of senior notes	-	(1,946,776)	-	(1,946,776)
Advance from (Repayment to) directors	455	(1,495)	911	(1,011)



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	<b>2Q 2015</b>	<b>2Q 2014</b>	<b>1H 2015</b>	<b>1H 2014</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
(Repayment to) Advance from ultimate holding company	(200,000)	(333,289)	53,200	98,338
Advance from non-controlling shareholders of subsidiaries	17,650	-	25,810	379
Advance from other related parties	2,601	1,946	3,000	2,407
Cash injection from non-controlling shareholders of subsidiaries	-	55,537	-	55,537
<b>Net cash (used in) from financing activities</b>	<b>(683,185)</b>	<b>(81,809)</b>	<b>(542,419)</b>	<b>1,461,663</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,790,048</b>	<b>(511,219)</b>	<b>1,431,071</b>	<b>(1,646,882)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,209,516</b>	<b>5,872,667</b>	<b>6,590,084</b>	<b>7,082,045</b>
<b>Effect of exchange rate changes on the balance of cash held in foreign currencies</b>	<b>(21,795)</b>	<b>(28,633)</b>	<b>(43,386)</b>	<b>(102,348)</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,977,769</b>	<b>5,332,815</b>	<b>7,977,769</b>	<b>5,332,815</b>



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

## Unaudited Group Statements of Comprehensive Income for the Period Ended 30 June 2015

	2Q 2015	2Q 2014	1H 2015	1H 2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the period</b>	346,918	58,185	425,335	416,488
<b>Other comprehensive (expense) income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(50,184)	(29,489)	64,384	(176,927)
Cash flow hedge	33,167	137	(20,498)	8,274
<b>Other comprehensive (expense) income for the period, net of tax</b>	(17,017)	(29,352)	43,886	(168,653)
<b>Total comprehensive income for the period</b>	329,901	28,833	469,221	247,835
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	154,059	(14,543)	230,417	112,157
Non-controlling interests	175,842	43,376	238,804	135,678
	329,901	28,833	469,221	247,835



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## Unaudited Company Statements of Comprehensive Income for the Period Ended 30 June 2015

	2Q 2015	2Q 2014	1H 2015	1H 2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the period</b>	800,399	368,099	598,982	409,872
<b>Other comprehensive income</b>				
<b>(expense):</b>				
<u>Items that may be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Currency translation difference	130,753	56,318	(99,835)	275,633
<b>Other comprehensive income</b>				
<b>(expense) for the period, net of tax</b>	130,753	56,318	(99,835)	275,633
<b>Total comprehensive income for the</b>				
<b>period</b>	931,152	424,417	499,147	685,505
<b>Total comprehensive income</b>				
<b>attributable to:</b>				
Owners of the Company	931,152	424,417	499,147	685,505
Non-controlling interests	-	-	-	-
	931,152	424,417	499,147	685,505



# 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 June 2015

	Share capital	Currency translation reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2015</b>	7,261,726	(87,400)	1,075,491	(1,834,019)	(7,094)	(337,230)	13,103,297	19,174,771	10,198,470	29,373,241
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	15,455	15,455	62,962	78,417
Other comprehensive income for the period	-	114,568	-	-	(53,665)	-	-	60,903	-	60,903
<b>Total</b>	<b>-</b>	<b>114,568</b>	<b>-</b>	<b>-</b>	<b>(53,665)</b>	<b>-</b>	<b>15,455</b>	<b>76,358</b>	<b>62,962</b>	<b>139,320</b>
Transactions with owners, recognised directly in equity:										
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(160,000)	(160,000)
Appropriations	-	-	48,155	-	-	-	(48,155)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>48,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,155)</b>	<b>-</b>	<b>(160,000)</b>	<b>(160,000)</b>
<b>Balance at 31 March 2015</b>	<b>7,261,726</b>	<b>27,168</b>	<b>1,123,646</b>	<b>(1,834,019)</b>	<b>(60,759)</b>	<b>(337,230)</b>	<b>13,070,597</b>	<b>19,251,129</b>	<b>10,101,432</b>	<b>29,352,561</b>



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# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	171,076	171,076	175,842	346,918
Other comprehensive expense for the period	-	(50,184)	-	-	33,167	-	-	(17,017)	-	(17,017)
<b>Total</b>	<b>-</b>	<b>(50,184)</b>	<b>-</b>	<b>-</b>	<b>33,167</b>	<b>-</b>	<b>171,076</b>	<b>154,059</b>	<b>175,842</b>	<b>329,901</b>
Transactions with owners, recognised directly in equity:										
Dividends	-	-	-	-	-	-	(113,388)	(113,388)	-	(113,388)
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(303,724)	(303,724)
Appropriations	-	-	31,099	-	-	-	(31,099)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>31,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(144,487)</b>	<b>(113,388)</b>	<b>(303,724)</b>	<b>(417,112)</b>
<b>Balance at 30 June 2015</b>	<b>7,261,726</b>	<b>(23,016)</b>	<b>1,154,745</b>	<b>(1,834,019)</b>	<b>(27,592)</b>	<b>(337,230)</b>	<b>13,097,186</b>	<b>19,291,800</b>	<b>9,973,550</b>	<b>29,265,350</b>



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YANLORD

# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2014

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2014</b>	7,261,726	(110,114)	181,505	963,718	(1,834,019)	4,778	(337,230)	11,799,215	17,929,579	9,928,798	27,858,377
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	266,001	266,001	92,302	358,303
Other comprehensive expense for the period	-	(147,438)	-	-	-	8,137	-	-	(139,301)	-	(139,301)
<b>Total</b>	<b>-</b>	<b>(147,438)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,137</b>	<b>-</b>	<b>266,001</b>	<b>126,700</b>	<b>92,302</b>	<b>219,002</b>
Transactions with owners, recognised directly in equity:											
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(352,281)	(352,281)
Appropriations	-	-	-	16,609	-	-	-	(16,609)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,609)</b>	<b>-</b>	<b>(352,281)</b>	<b>(352,281)</b>
<b>Balance at 31 March 2014</b>	<b>7,261,726</b>	<b>(257,552)</b>	<b>181,505</b>	<b>980,327</b>	<b>(1,834,019)</b>	<b>12,915</b>	<b>(337,230)</b>	<b>12,048,607</b>	<b>18,056,279</b>	<b>9,668,819</b>	<b>27,725,098</b>





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YANLORD

# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	-	14,809	14,809	43,376	58,185
Other comprehensive expense for the period	-	(29,489)	-	-	-	137	-	-	(29,352)	-	(29,352)
<b>Total</b>	<b>-</b>	<b>(29,489)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>-</b>	<b>14,809</b>	<b>(14,543)</b>	<b>43,376</b>	<b>28,833</b>
Transactions with owners, recognised directly in equity:											
Capital injection by non-controlling shareholders											
	-	-	-	-	-	-	-	-	-	55,537	55,537
Dividends											
	-	-	-	-	-	-	-	(125,097)	(125,097)	-	(125,097)
Dividend declared to non-controlling shareholders											
	-	-	-	-	-	-	-	-	-	(210,645)	(210,645)
Appropriations											
	-	-	-	39,492	-	-	-	(39,492)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(164,589)</b>	<b>(125,097)</b>	<b>(155,108)</b>	<b>(280,205)</b>
<b>Balance at 30 June 2014</b>	<b>7,261,726</b>	<b>(287,041)</b>	<b>181,505</b>	<b>1,019,819</b>	<b>(1,834,019)</b>	<b>13,052</b>	<b>(337,230)</b>	<b>11,898,827</b>	<b>17,916,639</b>	<b>9,557,087</b>	<b>27,473,726</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2015

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated (losses) profits RMB'000	Total RMB'000
<b>Balance at 1 January 2015</b>	7,261,726	(505,335)	(153,822)	6,602,569
Total comprehensive expense for the period:				
Loss for the period	-	-	(201,417)	(201,417)
Other comprehensive expense for the period	-	(230,588)	-	(230,588)
Total	-	(230,588)	(201,417)	(432,005)
<b>Balance at 31 March 2015</b>	7,261,726	(735,923)	(355,239)	6,170,564
Total comprehensive income for the period:				
Profit for the period	-	-	800,399	800,399
Other comprehensive income for the period	-	130,753	-	130,753
Total	-	130,753	800,399	931,152
Dividends, representing total transaction with owners, recognised directly in equity	-	-	(113,388)	(113,388)
<b>Balance at 30 June 2015</b>	7,261,726	(605,170)	331,772	6,988,328



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2014

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated (losses) profits RMB'000	Total RMB'000
<b>Balance at 1 January 2014</b>	7,261,726	(289,082)	181,505	(238,513)	6,915,636
Total comprehensive income for the period:					
Profit for the period	-	-	-	41,773	41,773
Other comprehensive income for the period	-	219,315	-	-	219,315
Total	-	219,315	-	41,773	261,088
<b>Balance at 31 March 2014</b>	7,261,726	(69,767)	181,505	(196,740)	7,176,724
Total comprehensive income for the period:					
Profit for the period	-	-	-	368,099	368,099
Other comprehensive income for the period	-	56,318	-	-	56,318
Total	-	56,318	-	368,099	424,417
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(125,097)	(125,097)
<b>Balance at 30 June 2014</b>	7,261,726	(13,449)	181,505	46,262	7,476,044



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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 June 2015, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 March 2015: 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 2014	1,948,736	7,261,726
As at 1 April 2015 and 30 June 2015	1,948,736	7,261,726

## 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. With effect from 16 May 2013, the conversion price was further adjusted from S\$2.56 to S\$2.52 per share and with effect from 6 June 2014, from S\$2.52 to S\$2.49 per share.

In July 2012, the holders of S\$305 million outstanding Notes 2014 exercised their put options. In July 2014, the Company redeemed the remaining S\$70 million outstanding Notes 2014 in full in accordance with the terms set out in the Trust Deed dated 13 July 2009. No Note 2014 was converted into ordinary shares during the financial period and outstanding for conversion into ordinary shares as at the end of the current financial period.



# YANLORD LAND GROUP LIMITED

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Based on the conversion price of S\$2.49 per share and assuming the remaining S\$70 million outstanding Notes 2014 as at 30 June 2014 were fully converted, the number of new ordinary shares to be issued would be approximately 28,112,449 shares as at 30 June 2014.

## Treasury Shares

The Company did not hold any treasury shares as at 30 June 2015 and 30 June 2014.

**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.

**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 2015 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 2014, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2015.



# YANLORD LAND GROUP LIMITED

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**5. If there are any changes in the accounting policies and methods of computations, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to Note 4 and the audited financial statements for the year ended 31 December 2014 for more information.

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

	GROUP		GROUP	
	2Q 2015	2Q 2014	1H 2015	1H 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>EPS based on Group's profit attributable to owners of the Company:</b>				
<b>(i) On the weighted average number of shares (RMB)</b>	8.78 cents	0.76 cents	9.57 cents	14.41 cents
<b>- Weighted average number of shares ('000)</b>	1,948,736	1,948,736	1,948,736	1,948,736
<b>(ii) On a fully diluted basis (RMB)</b>	8.78 cents	0.76 cents	9.57 cents	14.38 cents
<b>- Adjusted weighted average number of shares ('000)</b>	1,948,736	1,948,736	1,948,736	1,976,560



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

**(i) current financial period reported on; and**

**(ii) immediately preceding financial year**

	GROUP		COMPANY	
	30.06.2015 (Unaudited)	31.12.2014 (Unaudited)	30.06.2015 (Unaudited)	31.12.2014 (Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period/year (RMB)</b>	9.90	9.84	3.59	3.39

**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 2015 vs. 2Q 2014**

Revenue in 2Q 2015 grew significantly by 55.1% or RMB831 million to RMB2.340 billion as compared to RMB1.509 billion in 2Q 2014. This increase was due to the greater GFA delivery and improved ASP per sqm achieved by the Group as a result of the change in product mix composition delivered during the current reporting period as compared to the same period last year, as mentioned above in Note 1(a). The major contributors to the revenue were Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, Yanlord Lakeview Bay – Land Parcels A2 and A5 (仁恒双湖湾 – A2 及 A5 地块) in Suzhou and Yanlord Sunland Gardens (Phase 1 and Phase 2) (仁恒森兰雅苑一期及二期) in Shanghai, which contributed 69.4%, 12.0% and 10.2% respectively to the Group's 2Q 2015 gross revenue on properties sales.

Underscored by the significant revenue growth, gross profit leapt 116.3% or RMB439 million to RMB817 million in 2Q 2015 from RMB378 million in 2Q 2014. In-line with the change in product mix composition which included the higher-margin project, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, gross profit margin rose 9.9 percentage points to 34.9% in 2Q 2015 from 25.0% in 2Q 2014.



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As such, profit before income tax recorded a threefold increase to RMB693 million in 2Q 2015 from RMB173 million in 2Q 2014, while profit before income tax margin also saw a considerable increase of 18.2 percentage points to 29.6% in 2Q 2015 from 11.4% in 2Q 2014.

Profit for the period and the margin therefore recorded a growth of RMB289 million and 10.9 percentage points to RMB347 million and 14.8% in 2Q 2015 respectively as compared to the same period in 2014.

## **1H 2015 vs. 1H 2014**

In 1H 2015, revenue of the Group grew by 2.4% or RMB79 million to RMB3.350 billion from RMB3.272 billion mainly attributable to the increase in ASP per sqm achieved as mentioned above in Note 1(a) partly offset by the decrease in GFA delivered over the corresponding period in 2014. 1H 2015 revenue was derived primarily from the delivery of Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, Yanlord Lakeview Bay – Land Parcels A2 and A5 (仁恒双湖湾 – A2 及 A5 地块) in Suzhou and Yanlord Sunland Gardens (Phase 1 and Phase 2) (仁恒森兰雅苑一期及二期) in Shanghai, which accounted for 56.9%, 17.4% and 12.8% respectively of the Group's gross revenue from the sales of properties.

Underscored by the higher ASP per sqm achieved by the Group and the recognition of resettlement service fee income in Chengdu in 1H 2015, gross profit increased by 22.7% or RMB231 million to RMB1.249 billion in 1H 2015 from RMB1.018 billion in 1H 2014. Gross profit margin was higher at 37.3% in 1H 2015, which represented an increase of 6.2 percentage points as compared to 31.1% in 1H 2014.

Led by the increase in gross profit during the current reporting period together with the recognition of fair value gain on investment properties as mentioned above in Note 1(a), which partly offset by higher net foreign exchange gain and joint ventures profit sharing as reported in 1H 2014, the Group's profit before income tax grew by 15.8% or RMB124 million to RMB910 million in 1H 2015 as compared to 1H 2014.

Hence, profit for the period increased by 2.1% or RMB9 million to RMB425 million in 1H 2015 as compared to 1H 2014, while profit for the period margin remained constant at 12.7% in 1H 2015 and 1H 2014.





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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**

### **Current assets**

#### Other receivables and deposits

Other receivables and deposits, which mainly included deposits for projects and business tax prepayment, increased to RMB1.699 billion as at 30 June 2015 from RMB584 million as at 31 December 2014. The increase was primarily due to the deposit payment for a land auction in the PRC which was refunded to the Group in July 2015, and the increase in prepayment for business tax which was in-line with the increase in advances received from customers as mentioned below.

### **Current liabilities**

#### Senior notes

The current amount of RMB1.943 billion senior notes balance as at 30 June 2015 was transferred from the non-current amount of senior notes as the Group's RMB2 billion senior notes issued on 23 May 2013 will mature on 23 May 2016.

#### Other payables

Other payables, which mainly included advances received from customers, increased by 70.3% or RMB5.472 billion to RMB13.260 billion as at 30 June 2015 from RMB7.788 billion as at 31 December 2014 mainly due to an increase in pre-sales proceeds received from customers.

#### Non-trade amount due to ultimate holding company

Non-trade amount due to ultimate holding company of RMB55 million as at 30 June 2015 represented loan from ultimate holding company.

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

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



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

### INDUSTRY OUTLOOK

To better encourage home ownership in the PRC<sup>1</sup>, the PRC central bank has since 2014 released various credit easing measures including reduction in interest rates, relaxation of bank reserve ratio requirements<sup>2</sup> as well as the easing of the eligibility criteria for first-home mortgages<sup>3</sup>, allowing buyers who have fully repaid mortgages to enjoy lower downpayments and mortgage rates, with first-home status. These liquidity measures coupled with the expressed statement to local banks to support the reasonable financing needs of developers will serve to further support end-user housing demand and contribute to the sustainable development of the PRC real estate sector.

In addition to the easing of liquidity measures, buyer sentiments in the PRC were further buoyed by the progressive relaxation of austerity measures introduced by the central government since 2010 to cool the property sector in various cities across the PRC. Based on the data released by the PRC National Bureau of Statistics (“NBS”) on 15 July 2015, commodity housing sales rose 10.0% year-on-year for the first half of 2015 to RMB3.426 trillion. In particular, commodity housing sales rose 32.1% year-on-year in June 2015 to RMB985 billion.

### COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 30 June 2015, the Group has received advances for pre-sale properties (recorded as “Other payables” in the statements of financial position), amounting to RMB12.287 billion, with an accumulated pre-sale amount of RMB18.117 billion.

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<sup>1</sup> Reference: The People's Bank of China Notice released on 30 September 2014 (中国人民银行 中国银行业监督管理委员会关于进一步做好住房金融服务工作的通知)

<sup>2</sup> Reference: The People's Bank of China Notice released on 19 April 2015 (中国人民银行决定继续普降存款类金融机构存款准备金率并有针对性地实施定向降准措施)

<sup>3</sup> Reference: The People's Bank of China Notice released on 30 March 2015 (中国人民银行住房城乡建设部中国银行业监督管理委员会关于个人住房贷款政策有关问题的通知)



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The Group will continue to launch new projects and new batches of its existing projects in 3Q 2015 namely, Yanlord Riverbay (Phase 2) (仁恒滨河湾二期) in Chengdu, Oasis New Island Gardens (Phase 2) (绿洲新岛花园二期) in Nanjing, Yanlord Eastern Gardens (仁恒东邑雅苑), Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) and Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai as well as Yanlord Marina Peninsula Gardens (Phase 1) (仁恒滨海半岛花园一期) in Zhuhai. In August 2015, the Group launched the inaugural batch of apartments at Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城四期) in Nanjing. Opening to strong support from home buyers, Yanlord sold 225 of the 297 apartment units launched on the opening day, deriving approximately RMB2.344 billion of pre-sales.

## Outlook

Despite volatilities in the PRC financial markets, the real economy of the country continues on a steady growth trajectory, rising 7% in 1H 2015 based on data recently released by the NBS. Capitalising on the continued growth of the economy coupled with the stimulus measures introduced by the PRC authorities, Yanlord, with its high quality landbank and strong brand recognition, is well poised to tap the rising demand for quality residential developments in the PRC.

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

## **11. Dividend**

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

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

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



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

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

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

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

We, Zhong Sheng Jian and Chan Yiu Ling, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board, which may render the unaudited second quarter and half year financial results of the Group for the period ended 30 June 2015 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 August 2015