



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED FIRST QUARTER ENDED 31 MARCH 2015 FINANCIAL STATEMENTS ANNOUNCEMENT

TABLE OF CONTENT

<u>Item No.</u>	<u>Description</u>	<u>Page</u>
1(a)	Unaudited Consolidated Statements of Profit or Loss	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	9-10
1(d)	Unaudited Statements of Comprehensive Income	11
1(e)(i)	Unaudited Statements of Changes in Equity	12-14
1(e)(ii)(iii)(iv)	Details of Any Changes in Company's Issued Share Capital	15-16
2&3	Audit Statement	16
4&5	Changes in Accounting Policies	16-17
6	Earnings per Share	17
7	Net Asset Value per Share	17
8	Review of Performance	18-19
9	Variance from Previous Forecast or Prospect Statement	19
10	Outlook and Prospects	20-21
11&12	Dividend	21
13	Interested Person Transactions Mandate	22
14	Confirmation of the Board of Directors	22



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 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 31 March 2015

	1Q 2015	1Q 2014	% Change + / (-)
	RMB'000	RMB'000	
Revenue	1,010,752	1,763,234	(43)
Cost of sales	(578,969)	(1,123,040)	(48)
Gross profit	431,783	640,194	(33)
Other operating income	158,555	120,620	31
Selling expenses	(74,988)	(50,178)	49
Administrative expenses	(239,361)	(135,311)	77
Other operating expenses	(1,327)	(1,035)	28
Finance cost	(55,097)	(60,238)	(9)
Share of (loss) profit of joint ventures	(1,874)	99,553	NM
Profit before income tax	217,691	613,605	(65)
Income tax	(139,274)	(255,302)	(45)
Profit for the period	78,417	358,303	(78)
Profit attributable to:			
Owners of the Company	15,455	266,001	(94)
Non-controlling interests	62,962	92,302	(32)
	78,417	358,303	(78)

NM: Not meaningful



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	1Q 2015	1Q 2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation expense	8,081	7,905
Fair value gain on investment properties	(125,917)	-
Fair value gain on held-for-trading investment	(1,070)	(8,253)
Finance cost	55,097	60,238
Interest income	(25,211)	(13,496)
Net gain on disposal of property, plant and equipment	(49)	(140)
Net loss (gain) on disposal of investment properties	956	(217)
Net foreign exchange loss (gain)	96,765	(96,117)

Revenue and cost of sales

The accumulated pre-sale amount grew by 22.6% or RMB2.294 billion to RMB12.450 billion as at 31 March 2015 as compared with RMB10.156 billion as at 31 March 2014. These pre-sales are expected to be progressively recognised as revenue in the subsequent quarters.

Revenue of the Group, net of business tax, was lower at RMB1.011 billion in 1Q 2015 as compared with RMB1.763 billion in 1Q 2014 primarily due to decrease in gross floor area ("GFA") delivered, in-line with the Group's lower projected delivery schedule for the quarter under review. Average selling price per square metre ("sqm") was slightly lower in 1Q 2015 as compared to 1Q 2014 as a result of the change in composition of product-mix to include a larger portion of higher-priced project, Yanlord Sunland Gardens (仁恒森兰雅苑) in Shanghai in 1Q 2014 over the current reporting period.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, decreased in-line with the lower GFA delivered in current reporting period to RMB579 million in 1Q 2015 from RMB1.123 billion in 1Q 2014.

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. In 1Q 2015, the Group recognised the resettlement service fee income derived from the resettlement deals for land parcel in Chengdu, which was adjacent to our integrated commercial development - Yanlord Landmark (仁恒置地广场).



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Other operating income

Other operating income, which mainly included fair value gain on investment properties, net foreign exchange gain and interest income, was higher at RMB159 million in 1Q 2015 as compared with RMB121 million in 1Q 2014. The income in 1Q 2015 derived mainly from the fair value gain on investment properties. In 1Q 2014, the income was generated primarily from the net foreign exchange gain arising mainly from the depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency. In 1Q 2015, the Group reclassified 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, which reported a fair value gain of RMB126 million in current period under review.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased to RMB75 million in 1Q 2015 from RMB50 million in 1Q 2014 mainly attributable to increase in advertising and promotion expenses. Higher staff costs were another reason to the increase in selling expenses in 1Q 2015 as compared with 1Q 2014. These increases in 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 loss. Excluding net foreign exchange loss of RMB97 million in 1Q 2015, administrative expenses grew by RMB7 million to RMB143 million in 1Q 2015 from RMB135 million in 1Q 2014. 1Q 2015 net foreign exchange loss was primarily attributable to the appreciation of the Company's US\$ denominated senior notes against its S\$ functional currency in the period under review.

Finance cost

Finance cost (net of capitalised interest), mainly comprised of interest expense incurred on completed investment properties, decreased by RMB5 million to RMB55 million in 1Q 2015 over the corresponding period last year. 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.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Share of (loss) profit of joint ventures

Share of (loss) profit 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, which spans a total GFA of approximately 6,000,000 sqm. As the land parcel has not yet delivered in 1Q 2015, the Group recorded a share of loss of joint ventures of RMB2 million as compared with share of profit of RMB100 million in 1Q 2014.

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased to RMB139 million in 1Q 2015 from RMB255 million in 1Q 2014, in tandem with the movement of profit before income tax.



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 31 March 2015

	GROUP		COMPANY	
	31.03.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)	31.03.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,241,076	1,065,073	-	-
Investment properties	10,776,107	10,244,250	-	-
Properties for development	6,246,916	8,958,369	-	-
Investments in subsidiaries	-	-	2,306,465	2,390,874
Investment in an associate	-	-	-	-
Investments in joint ventures	692,139	694,013	-	-
Other receivables	439,788	304,876	-	-
Non-trade amount due from non-controlling shareholders of a subsidiary	215,989	210,642	-	-
Intangible asset	613	613	-	-
Deferred tax assets	449,105	370,340	-	-
Derivative financial instruments	-	1,426	-	-
Total non-current assets	20,061,733	21,849,602	2,306,465	2,390,874
Current assets				
Inventories	68,338	44,793	-	-
Completed properties for sale	4,688,741	5,221,147	-	-
Properties under development for sale	36,381,532	32,116,714	-	-
Trade receivables	45,150	39,118	-	-
Other receivables and deposits	1,004,397	583,587	1	1
Non-trade amounts due from:				
Subsidiaries	-	-	11,843,448	12,542,828
Associate	388	366	-	-
Non-controlling shareholders of subsidiaries	572,119	512,601	-	-
Other related parties	559	562	-	-
Income tax prepayment	490,459	324,619	-	-
Held-for-trading investment	14,733	13,610	-	-
Pledged bank deposits	52,182	29,842	-	-



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	GROUP		COMPANY	
	31.03.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)	31.03.2015 RMB'000 (Unaudited)	31.12.2014 RMB'000 (Audited)
Cash and cash equivalents	6,209,516	6,590,084	1,351	3,535
Total current assets	49,528,114	45,477,043	11,844,800	12,546,364
Total assets	69,589,847	67,326,645	14,151,265	14,937,238
<u>EQUITY AND LIABILITIES</u>				
Capital, reserves and non-controlling interests				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	11,989,403	11,913,045	(1,091,162)	(659,157)
Equity attributable to owners of the Company	19,251,129	19,174,771	6,170,564	6,602,569
Non-controlling interests	10,101,432	10,198,470	-	-
Total equity	29,352,561	29,373,241	6,170,564	6,602,569
Non-current liabilities				
Bank loans – due after one year	11,274,458	11,480,881	-	273,651
Senior notes	6,147,208	6,243,882	4,206,527	4,258,493
Derivative financial instruments	59,857	-	-	-
Deferred tax liabilities	1,659,159	1,648,103	-	-
Non-trade amount due to a non-controlling shareholder of subsidiaries	20,000	20,000	-	-
Total non-current liabilities	19,160,682	19,392,866	4,206,527	4,532,144
Current liabilities				
Bank loans – due within one year	2,392,104	2,081,398	279,070	14,674
Trade payables	5,407,575	5,496,168	-	-
Other payables	10,003,354	7,788,290	47,345	86,820
Non-trade amounts due to:				
Subsidiary	-	-	3,173,267	3,679,754
Ultimate holding company	253,518	-	253,518	-
Directors	20,974	21,277	20,974	21,277
Non-controlling shareholders of subsidiaries	132,912	189,833	-	-
Other related parties	2,395	1,996	-	-
Income tax payable	2,863,772	2,981,576	-	-
Total current liabilities	21,076,604	18,560,538	3,774,174	3,802,525
Total equity and liabilities	69,589,847	67,326,645	14,151,265	14,937,238



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	GROUP	
	As at 31.03.2015	As at 31.12.2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,463,440	1,305,170
Unsecured	1,272,769	866,789
Sub-total 1	2,736,209	2,171,959
Amount repayable after one year:-		
Secured	7,360,808	7,533,815
Unsecured	10,060,858	10,190,948
Sub-total 2	17,421,666	17,724,763
Total debt	20,157,875	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.



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 31 March 2015

	1Q 2015	1Q 2014
	RMB'000	RMB'000
Operating activities		
Profit before income tax	217,691	613,605
Adjustments for:		
Depreciation expense	8,081	7,905
Fair value gain on investment properties	(125,917)	-
Fair value gain on held-for-trading investment	(1,070)	(8,253)
Finance cost	55,097	60,238
Interest income	(25,211)	(13,496)
Net gain on disposal of property, plant and equipment	(49)	(140)
Net loss (gain) on disposal of investment properties	956	(217)
Share of loss (profit) of joint ventures	1,874	(99,553)
Operating cash flows before movements in working capital	131,452	560,089
Properties for development	(178,769)	(1,647,596)
Inventories	(23,501)	2,518
Completed properties for sale	532,406	1,041,590
Properties under development for sale	(1,449,321)	(1,918,780)
Trade and other receivables and deposits	(548,978)	(190,334)
Trade and other payables	2,138,113	523,964
Cash generated from (used in) operations	601,402	(1,628,549)
Interest paid	(322,735)	(318,365)
Income tax paid	(490,627)	(735,267)
Net cash used in operating activities	(211,960)	(2,682,181)



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

	1Q 2015	1Q 2014
	RMB'000	RMB'000
Investing activities		
Interest received	25,351	20,569
(Increase) Decrease in pledged bank deposits	(22,340)	2,147
Proceeds on disposal of property, plant and equipment	144	504
Proceeds on disposal of investment properties	8,047	2,003
Payment for property, plant and equipment	(184,745)	(49,900)
Payment for investment properties	(60,860)	(21,676)
Advance to an associate	(22)	(12)
Repayment from joint ventures	-	230
(Advance to) Repayment from non-controlling shareholders of subsidiaries	(53,358)	49,181
Net cash (used in) from investing activities	<u>(287,783)</u>	<u>3,046</u>
Financing activities		
Dividends paid to non-controlling shareholders of subsidiaries	(225,425)	(224,728)
Proceeds from bank loans	748,756	1,774,014
Repayment of bank loans	(644,780)	(438,765)
Advance from directors	456	484
Advance from ultimate holding company	253,200	431,627
Advance from non-controlling shareholders of subsidiaries	8,160	379
Advance from other related parties	399	461
Net cash from financing activities	<u>140,766</u>	<u>1,543,472</u>
Net decrease in cash and cash equivalents	(358,977)	(1,135,663)
Cash and cash equivalents at beginning of period	6,590,084	7,082,045
Effect of exchange rate changes on the balance of cash held in foreign currencies	(21,591)	(73,715)
Cash and cash equivalents at end of period	<u>6,209,516</u>	<u>5,872,667</u>



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 Statements of Comprehensive Income for the Period Ended 31 March 2015

	GROUP		COMPANY	
	1Q 2015	1Q 2014	1Q 2015	1Q 2014
	RMB'000	RMB'000	RMB'000	RMB'000
Profit (Loss) for the period	78,417	358,303	(201,417)	41,773
Other comprehensive income (expense):				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	114,568	(147,438)	(230,588)	219,315
Cash flow hedge	(53,665)	8,137	-	-
Other comprehensive income (expense) for the period, net of tax	60,903	(139,301)	(230,588)	219,315
Total comprehensive income (expense) for the period	139,320	219,002	(432,005)	261,088
Total comprehensive income (expense) attributable to:				
Owners of the Company	76,358	126,700	(432,005)	261,088
Non-controlling interests	62,962	92,302	-	-
	139,320	219,002	(432,005)	261,088



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 31 March 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
Balance at 1 January 2015	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
Total	-	114,568	-	-	(53,665)	-	15,455	76,358	62,962	139,320
Transactions with owners, recognised directly in equity:										
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(160,000)	(160,000)
Appropriations	-	-	48,155	-	-	-	(48,155)	-	-	-
Total	-	-	48,155	-	-	-	(48,155)	-	(160,000)	(160,000)
Balance at 31 March 2015	7,261,726	27,168	1,123,646	(1,834,019)	(60,759)	(337,230)	13,070,597	19,251,129	10,101,432	29,352,561



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(Company Reg. No. 200601911K)

Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 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
Balance at 1 January 2014	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)
Total	-	(147,438)	-	-	-	8,137	-	266,001	126,700	92,302	219,002
Transactions with owners, recognised directly in equity:											
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(352,281)	(352,281)
Appropriations	-	-	-	16,609	-	-	-	(16,609)	-	-	-
Total	-	-	-	16,609	-	-	-	(16,609)	-	(352,281)	(352,281)
Balance at 31 March 2014	7,261,726	(257,552)	181,505	980,327	(1,834,019)	12,915	(337,230)	12,048,607	18,056,279	9,668,819	27,725,098



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2015

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2015	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)
Balance at 31 March 2015	7,261,726	(735,923)	(355,239)	6,170,564

Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2014

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2014	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
Balance at 31 March 2014	7,261,726	(69,767)	181,505	(196,740)	7,176,724



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 31 March 2015, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 December 2014: 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 January 2015 and 31 March 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

(Company Reg. No. 200601911K)

Based on the conversion price of S\$2.52 per share and assuming the remaining S\$70 million outstanding Notes 2014 as at 31 March 2014 were fully converted, the number of new ordinary shares to be issued would be approximately 27,777,777 shares as at 31 March 2014.

Treasury Shares

The Company did not hold any treasury shares as at 31 March 2015 and 31 March 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 first quarter ended 31 March 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

(Company Reg. No. 200601911K)

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	
	1Q 2015	1Q 2014
	(Unaudited)	(Unaudited)
EPS based on Group's profit attributable to owners of the Company:		
(i) On the weighted average number of shares (RMB)	0.79 cents	13.65 cents
- Weighted average number of shares ('000)	1,948,736	1,948,736
(ii) On a fully diluted basis (RMB)	0.79 cents	13.54 cents
- Adjusted weighted average number of shares ('000)	1,948,736	1,976,514

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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per share based on issued share capital at the end of the period/year (RMB)	9.88	9.84	3.17	3.39



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**

1Q 2015 vs. 1Q 2014

In-line with the Group's planned delivery schedule, lower GFA were delivered to customers in 1Q 2015. As such, the Group's revenue decreased to RMB1.011 billion in 1Q 2015 from RMB1.763 billion in 1Q 2014, partly offset by the recognition of resettlement service fee income in 1Q 2015 as mentioned above in Note 1(a). The revenue stream was mainly generated from the delivery of Yanlord Lakeview Bay – Land Parcels A2 and A5 (仁恒双湖湾 – A2 及 A5 地块) in Suzhou, Yanlord Sunland Gardens (Phase 1 and Phase 2) (仁恒森兰雅苑一期及二期) in Shanghai, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing and Yanlord Riverbay (Phase 1) (仁恒滨河湾一期) in Chengdu, which accounted for 33.9%, 20.4%, 19.2% and 18.4% respectively to the Group's gross revenue from the sales of properties in 1Q 2015.

Gross profit was lower at RMB432 million in 1Q 2015 as compared to RMB640 million in 1Q 2014, in-line with the decrease in GFA delivered in the current quarter. Gross profit margin was higher at 42.7% in 1Q 2015 as compared to 36.3% in 1Q 2014 primarily due to the recognition of the resettlement service fee income in 1Q 2015.

In-line with the lower GFA delivered together with the net foreign exchange loss as well as the decrease in contribution from the joint ventures in 1Q 2015, profit before income tax was lower at RMB218 million in 1Q 2015 as compared with RMB614 million in 1Q 2014, partly offset by the resettlement service fee income and the fair value gain on investment properties recognised in 1Q 2015. Hence, profit before income tax margin decreased to 21.5% in 1Q 2015 from 34.8% in 1Q 2014.

As such, profit for the period and its margin declined to RMB78 million and 7.8% in 1Q 2015 from RMB358 million and 20.3% in 1Q 2014 respectively.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

- 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

Other payables (Current liabilities)

Other payables, which mainly included advances received from customers, increased by 28.4% or RMB2.215 billion to RMB10.003 billion as at 31 March 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 (Current liabilities)

Non-trade amount due to ultimate holding company of RMB254 million as at 31 March 2015 represented loan from ultimate holding company.

STATEMENTS OF CASH FLOWS

Net cash used in operating activities

Net cash used in operating activities decreased by RMB2.470 billion to RMB212 million in 1Q 2015 from RMB2.682 billion in 1Q 2014 primarily attributable to an increase in advances received from customers as well as a decrease in landbank and construction cost payments in current reporting period over the same period last year.

Net bank loan drawdown

Net bank loan drawdown decreased by RMB1.231 billion to RMB104 million in 1Q 2015 from RMB1.335 billion in 1Q 2014 as a result of a decrease in drawdown and an increase in repayment, in-line with our decrease in fund used in operating activities.

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.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 People's Republic of China ("PRC")¹, the PRC central bank has in recent months released various credit easing measures including reduction in interest rates, relaxation of bank reserve ratio requirements² as well as the easing of the eligibility criteria for first-home mortgages³, 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.

COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 31 March 2015, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB9.127 billion, with an accumulated pre-sale amount of RMB12.450 billion.

The Group will continue to launch new projects and new batches of its existing projects in 2Q 2015 namely, Yanlord Lakeview Bay – Land Parcels A3 and A4 (仁恒双湖湾 – A3 和 A4 地块) and Tang Yue Bay Gardens (棠悦湾花园) in Suzhou, Oasis New Island Gardens (Phase 1) (绿洲新岛花园一期) in

¹ 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)

² 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)

³ 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)



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

Nanjing, Yanlord Rosemite (仁恒岱山美地花园) in Shenzhen, Yanlord Eastern Gardens (仁恒东邑雅苑), Yanlord Western Gardens (仁恒西郊雅苑) and Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑二期) in Shanghai, Tianjin Jinnan Land (Phase 1) (景新花园一期) and Yanlord Marina Peninsula Gardens (Phase 1) (仁恒滨海半岛花园一期) in Zhuhai.

Outlook

Normalisation of the PRC real estate sector following the relaxation of regulatory policies and the liquidity easing measures may still be some time away as banks work out the details of their revised policies towards real estate lending and cooling measures implemented in first-tier cities such as Beijing and Shanghai continue to be in force. As such, near term volatilities in the PRC real estate sector is expected to continue. To mitigate against these uncertainties, the Group has its prudent financial policies coupled with its cash position. This will 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 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.



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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 first quarter financial results of the Group for the period ended 31 March 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
13 May 2015