



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER ENDED 31 MARCH 2017 FINANCIAL STATEMENTS ANNOUNCEMENT

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# YANLORD LAND GROUP LIMITED

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## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

### 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 2017

			%
	1Q 2017	1Q 2016	Change
	RMB'000	RMB'000	+ / (-)
Revenue	6,321,242	2,853,446	122
Cost of sales	(3,195,313)	(2,036,613)	57
Gross profit	3,125,929	816,833	283
Other operating income	68,814	184,041	(63)
Selling expenses	(81,697)	(93,421)	(13)
Administrative expenses	(201,458)	(160,563)	25
Other operating expenses	(643)	(1,745)	(63)
Finance cost	(113,397)	(77,141)	47
Share of loss of associates	(1,570)	-	NM
Share of profit (loss) of joint ventures	189,314	(5,958)	NM
Profit before income tax	2,985,292	662,046	351
Income tax	(1,517,551)	(262,225)	479
Profit for the period	1,467,741	399,821	267
Profit attributable to:			
Owners of the Company	934,114	260,139	259
Non-controlling interests	533,627	139,682	282
	1,467,741	399,821	267

NM: Not meaningful



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

	1Q 2017	1Q 2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation expense	6,090	7,741
Fair value gain on held-for-trading investment	-	(5,967)
Finance cost	113,397	77,141
Interest income	(63,275)	(47,669)
Net gain on disposal of property, plant and equipment	(87)	(1,420)
Net gain on disposal of investment properties	(2,882)	(2,002)
Net foreign exchange loss (gain)	35,119	(119,799)

## Revenue and cost of sales

Revenue of the Group in 1Q 2017 reported a considerable growth of 121.5% or RMB3.468 billion to RMB6.321 billion from RMB2.853 billion in 1Q 2016 primarily attributable to a significant increase in gross floor area ("GFA") delivered to the customers in 1Q 2017 over the same period last year. Increase in the Group's average selling price ("ASP") per square metre ("sqm") in 1Q 2017 arising from increases in ASP per sqm of existing projects and changes in product mix composition to include higher-priced projects further contributed to the higher revenue stream in 1Q 2017 as compared to 1Q 2016. The Group continued to deliver higher-priced projects in 1Q 2017 namely, Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城四期) in Nanjing, Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai and Yanlord Marina Centre – Section B (仁恒滨海中心 – B 标段) in Zhuhai, which accounted for 42.8%, 26.0% and 11.9% respectively to the Group's gross revenue on sales of properties in 1Q 2017. The ASP per sqm of existing projects, such as Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai and Yanlord Marina Centre – Section B (仁恒滨海中心 – B 标段) in Zhuhai, reported a growth in 1Q 2017 as compared to corresponding period in 2016.

Cost of sales in 1Q 2017, which mainly included land, construction and capitalised borrowing costs, grew by 56.9% or RMB1.159 billion to RMB3.195 billion in 1Q 2017 from RMB2.037 billion in 1Q 2016, mainly attributable to the increase in GFA delivered to customers in 1Q 2017. The increase in cost of sales was partly offset by a decrease in Group's cost of sales per sqm primarily due to a change in composition of product mix to deliver a larger portion of projects with relatively lower development costs in 1Q 2017 as compared with the corresponding period in 2016. In 1Q 2017, lower-cost projects in Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城四期) in Nanjing and Yanlord Riverbay (Phase 2) (仁恒滨河湾二期) in Chengdu accounted for 42.8% and 7.9% respectively of the Group's 1Q 2017 gross revenue on sales of properties.



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Other contributors to the Group's revenue in 1Q 2017 and 1Q 2016 mainly included resettlement service fee income, rental of investment properties as well as provision of property management services and other ancillary services.

## **Other operating income**

Other operating income included mainly net foreign exchange gain and interest income. Excluding the net foreign exchange gain of RMB120 million in 1Q 2016, other operating income increased by 7.1% or RMB5 million to RMB69 million in 1Q 2017 from RMB64 million in 1Q 2016. The net foreign exchange gain in 1Q 2016 was mainly attributable to the effect of depreciation of US\$ against S\$ functional currency on the Company's US\$400 million senior notes due 2018 in the period under review, which was early redeemed by the Group in June 2016.

## **Selling expenses**

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, decreased by 12.5% or RMB12 million to RMB82 million in 1Q 2017 as compared to RMB93 million in 1Q 2016 primarily due to decrease in advertising and promotion expenses, as well as intermediary agency fee.

## **Administrative expenses**

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, legal and professional fees, other taxes, rental, depreciation, bank charges and net foreign exchange loss. Excluding the net foreign exchange loss of RMB35 million in 1Q 2017 arising mainly from a depreciation of US\$ denominated deposit for a project against RMB functional currency on an entity of the Group at the current reporting period as compared with the preceding year end, administrative expenses grew slightly by 3.6% or RMB6 million to RMB166 million in 1Q 2017 over the same period in 2016.

## **Finance cost**

Finance cost, net of capitalised interest, grew by RMB36 million to RMB113 million in 1Q 2017 from RMB77 million in 1Q 2016 mainly due to an increase in interest expenses as a result of the issuance of US\$450 million 5.875% senior notes due 2022 in January 2017. The interest expenses of the senior notes was charged to finance cost in the statements of profit or loss before the funds were utilised to finance property development projects. 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.



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

Share of profit of joint ventures of RMB189 million recorded in 1Q 2017 as compared to share of loss of RMB6 million in 1Q 2016. Share of profit of joint ventures in 1Q 2017 generated mainly from 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. Other contributor to the profit sharing from joint ventures included the delivery of residential properties in Tangshan Nanhu Eco-City (唐山南湖生态城) in 1Q 2017.

## **Income tax**

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, reported an increase of RMB1.255 billion to RMB1.518 billion in 1Q 2017 from RMB262 million in 1Q 2016. The increase was primarily due to an increase in the statutory enterprise income tax and the land appreciation tax in 1Q 2017, in-line with the increases in revenue and profit before income tax in the current reporting period over the same period last year.



# 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 31 March 2017

	GROUP		COMPANY	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b><u>ASSETS</u></b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,991,196	1,819,467	-	-
Investment properties	13,724,839	13,694,556	-	-
Properties for development	10,911,267	2,792,938	-	-
Investments in subsidiaries	-	-	2,543,872	2,473,274
Investments in associates	604,454	610,363	-	-
Investments in joint ventures	1,378,329	1,200,199	-	-
Other receivables	1,178,498	873,153	-	-
Non-trade amounts due from:				
Joint ventures	1,197,513	1,202,561	-	-
Non-controlling shareholders of subsidiaries	200,000	200,000	-	-
Intangible asset	812	613	-	-
Deferred tax assets	456,648	444,061	-	-
Total non-current assets	31,643,556	22,837,911	2,543,872	2,473,274
<b>Current assets</b>				
Inventories	79,686	73,020	-	-
Completed properties for sale	5,483,924	4,704,316	-	-
Properties under development for sale	35,930,252	38,214,800	-	-
Trade receivables	14,287	22,197	-	-
Other receivables and deposits	3,230,964	4,903,935	2	4
Non-trade amounts due from:				
Subsidiaries	-	-	11,976,458	14,139,634
Associates	1,210,664	1,176,327	-	-
Joint ventures	211,101	207,750	-	-
Non-controlling shareholders of subsidiaries	2,987,548	2,287,134	-	-
Other related parties	621	625	-	-
Income tax prepayment	1,204,450	916,334	-	-
Pledged bank deposits	39,109	520,680	-	-



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	GROUP		COMPANY	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash and cash equivalents	13,089,922	17,583,383	1,982	21,902
Total current assets	63,482,528	70,610,501	11,978,442	14,161,540
<b>Total assets</b>	<b>95,126,084</b>	<b>93,448,412</b>	<b>14,522,314</b>	<b>16,634,814</b>

## EQUITY AND LIABILITIES

### **Capital, reserves and non-controlling interests**

Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	13,178,619	13,785,068	67,800	(83,411)
Equity attributable to owners of the Company	20,440,345	21,046,794	7,329,526	7,178,315
Non-controlling interests	9,355,515	8,962,762	-	-
<b>Total equity</b>	<b>29,795,860</b>	<b>30,009,556</b>	<b>7,329,526</b>	<b>7,178,315</b>

### **Non-current liabilities**

Bank and other borrowings				
– due after one year	17,584,062	12,438,479	719,107	922,254
Senior notes	3,069,456	-	-	-
Deferred tax liabilities	2,346,376	2,243,610	-	-
Non-trade amounts due to non-controlling shareholders of subsidiaries	1,226,127	337,127	-	-
Put liability to acquire non-controlling interests	1,421,698	1,421,698	-	-
<b>Total non-current liabilities</b>	<b>25,647,719</b>	<b>16,440,914</b>	<b>719,107</b>	<b>922,254</b>

### **Current liabilities**

Bank and other borrowings				
– due within one year	4,419,388	8,311,176	76,633	495,221
Senior notes	1,973,554	1,916,309	1,973,554	1,916,309
Trade payables	6,606,711	7,926,994	-	-
Other payables	22,135,502	24,088,948	50,259	21,737
Non-trade amounts due to:				
Subsidiary	-	-	4,329,113	5,386,074
Joint venture	365	365	-	-
Ultimate holding company	-	672,486	-	672,486
Directors	44,122	42,418	44,122	42,418
Non-controlling shareholders of subsidiaries	264,126	297,347	-	-
Other related parties	28,375	47,630	-	-



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	GROUP		COMPANY	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Income tax payable	4,210,362	3,694,269	-	-
Total current liabilities	39,682,505	46,997,942	6,473,681	8,534,245
<b>Total equity and liabilities</b>	<b>95,126,084</b>	<b>93,448,412</b>	<b>14,522,314</b>	<b>16,634,814</b>





# YANLORD LAND GROUP LIMITED

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

	GROUP	
	As at 31.03.2017	As at 31.12.2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	3,157,000	3,612,220
Unsecured	3,235,942	7,287,195
Sub-total 1	6,392,942	10,899,415
Amount repayable after one year:-		
Secured	9,562,436	7,466,436
Unsecured	12,317,209	5,309,170
Sub-total 2	21,879,645	12,775,606
Total debt	28,272,587	23,675,021

### Details of any collateral

Secured borrowings are generally secured by the property, plant and equipment, investment properties, properties for development, properties under development 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 31 March 2017

	1Q 2017	1Q 2016
	RMB'000	RMB'000
<b>Operating activities</b>		
Profit before income tax	2,985,292	662,046
Adjustments for:		
Depreciation expense	6,090	7,741
Fair value gain on held-for-trading investment	-	(5,967)
Finance cost	113,397	77,141
Interest income	(63,275)	(47,669)
Net gain on disposal of property, plant and equipment	(87)	(1,420)
Net gain on disposal of investment properties	(2,882)	(2,002)
Share of loss of associates	1,570	-
Share of (profit) loss of joint ventures	(189,314)	5,958
Operating cash flows before movements in working capital	2,850,791	695,828
Properties for development	(8,045,023)	(858,644)
Inventories	(6,610)	(9,028)
Completed properties for sale	1,957,787	1,970,203
Properties under development for sale	(53,405)	(716,294)
Trade and other receivables and deposits	1,556,756	(1,930,396)
Trade and other payables	(3,501,132)	4,546,069
Cash (used in) generated from operations	(5,240,836)	3,697,738
Interest paid	(501,518)	(297,889)
Income tax paid	(1,195,665)	(1,163,400)
Net cash (used in) from operating activities	(6,938,019)	2,236,449
<b>Investing activities</b>		
Interest received	38,912	33,973
Decrease (Increase) in pledged bank deposits	481,571	(1,201)
Proceeds on disposal of property, plant and equipment	1,957	3,859
Proceeds on disposal of investment properties	7,894	13,691
Payment for property, plant and equipment	(180,134)	(20,022)



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	1Q 2017	1Q 2016
	RMB'000	RMB'000
Payment for investment properties	(35,296)	(97,553)
Payment for intangible asset	(199)	-
Advance to associates	(21,186)	(24)
Advance to joint ventures	(17,431)	(8,991)
Repayment from joint ventures	25,000	-
Advance to non-controlling shareholders of subsidiaries	(867,480)	(200,825)
Advance to a planned joint venture project	-	(652,750)
Net cash used in investing activities	(566,392)	(929,843)
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders of subsidiaries	(75,439)	(197,612)
Net proceeds on issue of senior notes	3,085,026	-
Proceeds from bank and other borrowings	5,760,089	1,334,981
Repayment of bank and other borrowings	(4,282,922)	(3,400,190)
Purchase of treasury shares	(40,561)	-
Advance from directors	489	2,602
Repayment to ultimate holding company	(671,930)	-
Advance from non-controlling shareholders of subsidiaries	632,050	9,989
(Repayment to) Advance from other related parties	(19,255)	12,899
Acquisition of non-controlling interest in a subsidiary	(1,411,819)	-
Disposal of partial interest in a subsidiary	12,000	-
Net cash from (used in) financing activities	2,987,728	(2,237,331)
Net decrease in cash and cash equivalents	(4,516,683)	(930,725)
Cash and cash equivalents at beginning of period	17,583,383	17,516,991
Effect of exchange rate changes on the balance of cash held in foreign currencies	23,222	(64,213)
<b>Cash and cash equivalents at end of period</b>	<b>13,089,922</b>	<b>16,522,053</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 Statements of Comprehensive Income for the Period Ended 31 March 2017

	GROUP		COMPANY	
	1Q 2017	1Q 2016	1Q 2017	1Q 2016
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit (Loss) for the period</b>	1,467,741	399,821	(12,585)	21,252
<b>Other comprehensive (expense) income:</b>				
<u>Items that may be reclassified subsequently</u>				
<u>to profit or loss:</u>				
Currency translation difference	(33,646)	(128,175)	204,357	292,596
Cash flow hedge	-	30,328	-	-
<b>Other comprehensive (expense) income for the period, net of tax</b>	(33,646)	(97,847)	204,357	292,596
<b>Total comprehensive income for the period</b>	1,434,095	301,974	191,772	313,848
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	900,468	162,292	191,772	313,848
Non-controlling interests	533,627	139,682	-	-
	1,434,095	301,974	191,772	313,848



# 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 31 March 2017

	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	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 2017</b>	7,261,726	(47,006)	(689,689)	1,403,010	(1,834,019)	(1,758,997)	16,711,769	21,046,794	8,962,762	30,009,556
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	934,114	934,114	533,627	1,467,741
Other comprehensive expense for the period	-	-	(33,646)	-	-	-	-	(33,646)	-	(33,646)
<b>Total</b>	-	-	(33,646)	-	-	-	934,114	900,468	533,627	1,434,095
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	-	-	(1,466,356)	-	(1,466,356)	(103,783)	(1,570,139)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(37,091)	(37,091)
Repurchase of shares	-	(40,561)	-	-	-	-	-	(40,561)	-	(40,561)
Appropriations	-	-	-	38,913	-	-	(38,913)	-	-	-
<b>Total</b>	-	(40,561)	-	38,913	-	(1,466,356)	(38,913)	(1,506,917)	(140,874)	(1,647,791)
<b>Balance at 31 March 2017</b>	7,261,726	(87,567)	(723,335)	1,441,923	(1,834,019)	(3,225,353)	17,606,970	20,440,345	9,355,515	29,795,860



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## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2016

	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 2016</b>	7,261,726	(278,335)	1,244,034	(1,834,019)	(36,361)	(337,196)	14,315,220	20,335,069	10,199,385	30,534,454
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	260,139	260,139	139,682	399,821
Other comprehensive expense for the period	-	(128,175)	-	-	30,328	-	-	(97,847)	-	(97,847)
<b>Total</b>	<b>-</b>	<b>(128,175)</b>	<b>-</b>	<b>-</b>	<b>30,328</b>	<b>-</b>	<b>260,139</b>	<b>162,292</b>	<b>139,682</b>	<b>301,974</b>
Transactions with owners, recognised directly in equity:										
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(197,612)	(197,612)
Appropriations	-	-	34,685	-	-	-	(34,685)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>34,685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,685)</b>	<b>-</b>	<b>(197,612)</b>	<b>(197,612)</b>
<b>Balance at 31 March 2016</b>	<b>7,261,726</b>	<b>(406,510)</b>	<b>1,278,719</b>	<b>(1,834,019)</b>	<b>(6,033)</b>	<b>(337,196)</b>	<b>14,540,674</b>	<b>20,497,361</b>	<b>10,141,455</b>	<b>30,638,816</b>



# YANLORD LAND GROUP LIMITED

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## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2017

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
<b>Balance at 1 January 2017</b>	7,261,726	(47,006)	(246,993)	210,588	7,178,315
Total comprehensive income for the period:					
Loss for the period	-	-	-	(12,585)	(12,585)
Other comprehensive income for the period	-	-	204,357	-	204,357
<b>Total</b>	<b>-</b>	<b>-</b>	<b>204,357</b>	<b>(12,585)</b>	<b>191,772</b>
Repurchase of shares, representing total transaction with owners, recognised directly in equity	-	(40,561)	-	-	(40,561)
<b>Balance at 31 March 2017</b>	<b>7,261,726</b>	<b>(87,567)</b>	<b>(42,636)</b>	<b>198,003</b>	<b>7,329,526</b>

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2016

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2016</b>	7,261,726	(564,845)	(29,521)	6,667,360
Total comprehensive income for the period:				
Profit for the period	-	-	21,252	21,252
Other comprehensive income for the period	-	292,596	-	292,596
<b>Total</b>	<b>-</b>	<b>292,596</b>	<b>21,252</b>	<b>313,848</b>
<b>Balance at 31 March 2016</b>	<b>7,261,726</b>	<b>(272,249)</b>	<b>(8,269)</b>	<b>6,981,208</b>



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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	Number of ordinary shares (including treasury shares)	Share capital (net of expenses) RMB'000
As at 1 January 2017 and 31 March 2017	1,948,736,476	7,261,726

## Treasury Shares

During the period from 1 January 2017 to 31 March 2017, the Company repurchased 5,013,600 ordinary shares and the same were held as treasury shares (1 January 2016 to 31 March 2016: Nil). Treasury shares are presented as a component within equity attributable to owners of the Company.

The number of shares held as treasury shares against the total number of issued shares excluding treasury shares of the Company, as at the end of 31 March 2017 and as at the end of 31 March 2016 were as follows:

	Number of treasury shares	RMB'000
As at 31 March 2016	-	-





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	Number of treasury shares	RMB'000
As at 1 January 2017	7,150,600	47,006
Repurchase of shares	5,013,600	40,561
As at 31 March 2017	12,164,200	87,567

  

	Number of ordinary shares (excluding treasury shares)	Percentage of aggregate number of treasury shares held against the total number of ordinary shares (excluding treasury shares)
As at 31 March 2016	1,948,736,476	-
As at 31 March 2017	1,936,572,276	0.6%

## Subsidiary Holdings

There was no subsidiary holdings as at 31 March 2017 and 31 March 2016.

**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.**

	31.03.2017	31.12.2016
Total number of issued shares	1,948,736,476	1,948,736,476
Total number of treasury shares	(12,164,200)	(7,150,600)
Total number of issued shares (excluding treasury shares)	1,936,572,276	1,941,585,876

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

Not applicable.

**1(e)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 first quarter ended 31 March 2017 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 2016, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2017.

**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 2016 for more information.



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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 owners of the Company after deducting any provision for preference dividends.

	GROUP	
	1Q 2017	1Q 2016
	(Unaudited)	(Unaudited)
EPS based on Group's profit attributable to owners of the Company:		
(i) On the weighted average number of shares (RMB)	48.14 cents	13.35 cents
- Weighted average number of shares	1,940,233,827	1,948,736,476
(ii) On a fully diluted basis (RMB)	48.14 cents	13.35 cents
- Adjusted weighted average number of shares	1,940,233,827	1,948,736,476

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	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	10.55	10.84	3.78	3.70



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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**

## **1Q 2017 vs. 1Q 2016**

Driven by the considerable increase in GFA delivered and the higher Group's ASP per sqm achieved by the Group in 1Q 2017 as mentioned above in Note 1(a), revenue of the Group rose 121.5% or RMB3.468 billion to RMB6.321 billion in 1Q 2017 as compared to RMB2.853 billion in 1Q 2016. Higher-margin projects namely, Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城四期) in Nanjing and Yanlord Marina Centre – Section B (仁恒滨海中心 – B 标段) in Zhuhai, accounted for 42.8% and 11.9% respectively of the Group's gross revenue from sales of properties in 1Q 2017. Other contributors to the revenue stream of the Group in 1Q 2017 included Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai and Yanlord Riverbay (Phase 2) (仁恒滨河湾二期) in Chengdu, which accounted for 26.0% and 7.9% of the Group's gross revenue from sales of properties in 1Q 2017.

Gross profit grew significantly by 282.7% or RMB2.309 billion to RMB3.126 billion in 1Q 2017 from RMB817 million in 1Q 2016 as the result of higher GFA delivered and Group's ASP per sqm achieved, as well as lower cost of sales per sqm reported in 1Q 2017 over the same period in 2016 as mentioned above in Note 1(a). Gross profit margin reported a considerable increase of 20.9 percentage points to 49.5% in 1Q 2017 from 28.6% in 1Q 2016 primarily due to the change in the composition of product mix to include larger portion of higher-margin projects in 1Q 2017 as mentioned above as well as the increases in ASP per sqm of two existing projects as mentioned above in Note 1(a) driven by positive market responses from the customers for Yanlord's high-quality properties.

Hence, profit before income tax experienced a commendable growth of 350.9% or RMB2.323 billion to RMB2.985 billion in 1Q 2017 from RMB662 million in 1Q 2016. Profit before income tax margin grew by 24.0 percentage points to 47.2% in 1Q 2017 as compared to 23.2% in 1Q 2016, in-line with the increase in gross profit margin in 1Q 2017.

Profit for the period increased by 267.1% or RMB1.068 billion to RMB1.468 billion in 1Q 2017 from RMB400 million in 1Q 2016, while profit for the period margin grew by 9.2 percentage points to



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23.2% in 1Q 2017 from 14.0% in 1Q 2016.

- 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**

### **Non-current liabilities**

#### Senior Notes

Senior notes of RMB3.069 billion as at 31 March 2017 represented US\$450 million senior notes due in January 2022 issued by the Group in January 2017.

### **Current liabilities**

#### Other payables

Other payables, which mainly included advances received from customers, decreased by 8.1% or RMB1.953 billion to RMB22.136 billion as at 31 March 2017 from RMB24.089 billion as at 31 December 2016 mainly due to a decrease in pre-sales proceeds received from customers.

## **STATEMENTS OF CASH FLOWS**

#### Net cash (used in) from operating activities

The Group recorded net cash used in operating activities of RMB6.938 billion in 1Q 2017 as compared to the net cash from operating activities of RMB2.236 billion in 1Q 2016. The net cash outflow in 1Q 2017 was primarily attributable to a landbank payment for Nanjing No. 2016G84 Land (南京 No. 2016G84 地块) and a decrease in advances received from customers in 1Q 2017 partly offset by an increase in profit generated during the current reporting period.

#### Net drawdown from (repayment of) bank and other borrowings

Compared to RMB2.065 billion net repayment of bank and other borrowings in 1Q 2016, the Group recorded net drawdown from bank and other borrowings of RMB1.477 billion in 1Q 2017, in-line with the Group's funding requirements for project investments and developments in current reporting period.



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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

Market sentiments in the People's Republic of China ("PRC") real estate sector was good in 1Q 2017 with commodity housing sales rising 20.2% year on year to RMB1.940 trillion based on data compiled by the National Bureau of Statistics ("NBS") on 18 April 2017. Underscored by healthy demand for residential properties and year-on-year declines in inventory levels of residential units available for sale of 15.0% to 390.8 million sqm, prices for primary commodity housing rose steadily in the first and second tier cities such as Shanghai (16.8%), Nanjing (27.4%) and Tianjin (20.5%) based on the data released by NBS on 18 April 2017.

## COMPANY OUTLOOK

The Group continues to witness steadfast buyer demand for its high-quality residential developments. As at 31 March 2017, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB20.814 billion, with an accumulated pre-sale amount of RMB23.994 billion.

The Group will continue to launch a new project and new batches of existing projects in 2Q 2017 namely, Four Seasons Gardens (四季花园) in Nantong, Yanlord Eastern Gardens (仁恒东邑雅苑), Yanlord on the Park (仁恒世纪公寓) and Yanlord Western Gardens (仁恒西郊雅苑) in Shanghai, Riverbay Gardens (Phase 1 and 2) (江湾雅园一期及二期) in Suzhou, Tianjin Hong Qiao Land (Phase 1) (红咸雅苑一期) as well as Yanlord Marina Centre - Section B (仁恒滨海中心 - B 标段) and Yanlord Marina Peninsula Gardens (Phase 2) (仁恒滨海半岛花园二期) in Zhuhai.



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## Outlook

Volatilities in the global financial markets coupled with policy headwinds arising from austerity measures introduced by the PRC central government may serve to slow the rapid growth of new land tender prices and help to maintain a stable and sustainable development of the property sector over the longer term. Capitalising on the stable economic development of the PRC, which saw GDP rising 6.9% in 1Q 2017 based on the data released by NBS on 18 April 2017, 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.

## **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.



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## 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 2017 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

## 15. Undertakings under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the SGX-ST Listing Manual.

ON BEHALF OF THE BOARD

Zhong Sheng Jian  
Chairman and Chief Executive Officer  
15 May 2017