



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER ENDED 31 MARCH 2014 FINANCIAL STATEMENTS ANNOUNCEMENT

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# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

### 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 2014

	1Q 2014	1Q 2013	% Change + / (-)
	RMB'000	RMB'000	
Revenue	1,763,234	1,678,993	5
Cost of sales	(1,123,040)	(1,018,271)	10
<b>Gross profit</b>	640,194	660,722	(3)
Other operating income	120,620	14,683	721
Selling expenses	(50,178)	(45,103)	11
Administrative expenses	(135,311)	(185,794)	(27)
Other operating expenses	(1,035)	(1,729)	(40)
Finance cost	(60,238)	(42,783)	41
Share of profit (loss) of jointly controlled entities	99,553	(2,379)	NM
<b>Profit before income tax</b>	613,605	397,617	54
Income tax	(255,302)	(231,822)	10
<b>Profit for the period</b>	358,303	165,795	116
<b>Profit attributable to:</b>			
Equity holders of the Company	266,001	67,305	295
Non-controlling interests	92,302	98,490	(6)
	358,303	165,795	116



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

	<b>1Q 2014</b>	<b>1Q 2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
Recovery for doubtful debts and bad debts written off	-	(3)
Depreciation expense	7,905	10,978
Fair value (gain) loss on held-for-trading investment	(8,253)	1,214
Finance cost	60,238	42,783
Interest income	(13,496)	(7,853)
Net gain on disposal of property, plant and equipment	(140)	(511)
Net gain on disposal of investment properties	(217)	(734)
Net foreign exchange (gain) loss	(96,117)	58,899

## **Revenue and cost of sales**

Revenue of the Group in 1Q 2014, net of business tax, increased slightly by 5.0% or RMB84 million to RMB1.763 billion over the same period last year principally attributable to an increase in average selling price ("ASP") per square metre ("sqm") partly offset by a lower gross floor area ("GFA") delivered in 1Q 2014 as compared to 1Q 2013. The change in product mix composition to deliver a greater percentage of higher-priced project - Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) in Shanghai – in 1Q 2014 as compared to 1Q 2013 contributed to the higher ASP per sqm achieved in 1Q 2014.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, was higher at RMB1.123 billion in 1Q 2014 as compared to RMB1.018 billion in 1Q 2013. In-line with the increase in revenue, a higher cost of sales was incurred during the period mainly due to the inclusion of a larger percentage of higher-priced project with relatively higher development costs in 1Q 2014 as compared with 1Q 2013.

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



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## **Other operating income**

Other operating income mainly included government subsidies, interest income, fair value gain on held-for-trading investment and net foreign exchange gain. Excluding the net foreign exchange gain of RMB96 million in 1Q 2014 arising mainly from the depreciation of the Company's US\$ denominated senior notes against its S\$ functional currency, other operating income grew by RMB10 million to RMB25 million in 1Q 2014 from RMB15 million in 1Q 2013. This increase in 1Q 2014 income was primarily due to the fair value gain on held-for-trading investment and higher interest income partly mitigated by lower government subsidies recorded in 1Q 2014 as compared to 1Q 2013.

## **Selling expenses**

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB5 million to RMB50 million in 1Q 2014 as compared with 1Q 2013 mainly due to an increase in staff costs partly offset by a decrease in intermediary agency fee in 1Q 2014 over the corresponding period in 2013. The increase in selling expenses was in-line with the Group's continuing launches of new batches of its existing projects.

## **Administrative expenses**

Administrative expenses mainly comprised of staff costs, utilities, entertainment expenses, professional fees, other taxes, rental, depreciation and net foreign exchange loss. Excluding the net foreign exchange loss of RMB59 million in 1Q 2013, administrative expenses grew by 6.6% or RMB8 million to RMB135 million in 1Q 2014 from RMB127 million in 1Q 2013 mainly attributable to an increase in staff costs as the Group grows continuously.

## **Other operating expenses**

Other operating expenses was lower at RMB1 million in 1Q 2014 as compared with RMB2 million in 1Q 2013.

## **Finance cost**

Finance cost, net of capitalised interest, was higher at RMB60 million in 1Q 2014 as compared with RMB43 million in 1Q 2013 mainly attributable to an increase in interest expense incurred on the Group's completed investment properties. 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 jointly controlled entities**

In 1Q 2014, the Group continued to report a commendable return on its investments in jointly controlled entities. It reported a RMB100 million share of profit of jointly controlled entities in 1Q 2014 as compared to RMB2 million share of loss in 1Q 2013 as a result of the improved contribution from our Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛), an urban development project with a total GFA of approximately 15 square kilometres to be progressively completed in phases.

## **Income tax**

In tandem with the improved revenue stream and profit before income tax, the Group's income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, grew to RMB255 million in 1Q 2014 from RMB232 million in 1Q 2013.



# 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 2014

	GROUP		COMPANY	
	31.03.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)	31.03.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	798,281	757,334	-	-
Investment properties	8,784,660	8,764,770	-	-
Properties for development	10,122,995	9,960,451	-	-
Investments in subsidiaries	-	-	2,544,645	2,465,544
Investment in an associate	-	-	-	-
Investments in jointly controlled entities	700,039	600,486	-	-
Non-trade amount due from a non-controlling shareholder of a subsidiary	160,735	158,367	-	-
Intangible asset	613	613	-	-
Deferred tax assets	232,771	219,707	-	-
Derivative financial instruments	10,616	20,402	-	-
<b>Total non-current assets</b>	<b>20,810,710</b>	<b>20,482,130</b>	<b>2,544,645</b>	<b>2,465,544</b>
<b>Current assets</b>				
Inventories	38,403	40,830	-	-
Completed properties for sale	3,282,820	4,324,410	-	-
Properties under development for sale	32,337,351	28,640,895	-	-
Trade receivables	38,457	39,213	-	-
Other receivables and deposits	635,922	411,268	4	3
Non-trade amounts due from:				
Subsidiaries	-	-	13,457,446	12,785,666
Associate	366	354	-	-
Jointly controlled entities	-	230	-	-
Non-controlling shareholders of subsidiaries	329,319	376,380	-	-
Other related party	555	551	-	-
Held-for-trading investment	19,108	11,056	-	-
Pledged bank deposits	27,496	29,643	-	-
Cash and cash equivalents	5,872,667	7,082,045	90,067	6,894
<b>Total current assets</b>	<b>42,582,464</b>	<b>40,956,875</b>	<b>13,547,517</b>	<b>12,792,563</b>
<b>Total assets</b>	<b>63,393,174</b>	<b>61,439,005</b>	<b>16,092,162</b>	<b>15,258,107</b>



# YANLORD LAND GROUP LIMITED

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	GROUP		COMPANY	
	31.03.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)	31.03.2014 RMB'000 (Unaudited)	31.12.2013 RMB'000 (Audited)
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Capital and reserves</b>				
Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	10,794,553	10,667,853	(85,002)	(346,090)
Equity attributable to equity holders of the Company	18,056,279	17,929,579	7,176,724	6,915,636
Non-controlling interests	9,668,819	9,928,798	-	-
<b>Total capital and reserves</b>	<b>27,725,098</b>	<b>27,858,377</b>	<b>7,176,724</b>	<b>6,915,636</b>
<b>Non-current liabilities</b>				
Bank loans – due after one year	8,785,693	7,535,512	303,739	293,138
Senior notes	6,229,053	6,185,391	4,251,100	4,209,800
Deferred tax liabilities	1,372,058	1,363,647	-	-
Non-trade amount due to a non-controlling shareholder of subsidiaries	20,000	20,000	-	-
<b>Total non-current liabilities</b>	<b>16,406,804</b>	<b>15,104,550</b>	<b>4,554,839</b>	<b>4,502,938</b>
<b>Current liabilities</b>				
Bank loans – due within one year	3,383,838	3,262,391	-	-
Convertible notes	340,924	326,261	340,924	326,261
Trade payables	4,444,110	5,077,788	-	-
Other payables	7,796,006	6,608,820	80,123	107,009
Non-trade amounts due to:				
Subsidiary	-	-	3,340,754	3,249,140
Ultimate holding company	574,172	133,741	574,172	133,741
Directors	24,626	23,382	24,626	23,382
Non-controlling shareholders of subsidiaries	289,317	153,427	-	-
Other related parties	461	-	-	-
Income tax payable	2,407,818	2,890,268	-	-
<b>Total current liabilities</b>	<b>19,261,272</b>	<b>18,476,078</b>	<b>4,360,599</b>	<b>3,839,533</b>
<b>Total equity and liabilities</b>	<b>63,393,174</b>	<b>61,439,005</b>	<b>16,092,162</b>	<b>15,258,107</b>



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

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

	GROUP	
	As at 31.03.2014	As at 31.12.2013
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	1,873,243	1,685,313
Unsecured	2,513,946	2,125,727
Sub-total 1	4,387,189	3,811,040
Amount repayable after one year:-		
Secured	6,792,296	6,143,142
Unsecured	8,222,450	7,577,761
Sub-total 2	15,014,746	13,720,903
Total debt	19,401,935	17,531,943

### 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, completed properties for sale and bank deposits.





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

## Unaudited Consolidated Statements of Cash Flows for the Period Ended 31 March 2014

	1Q 2014	1Q 2013
	RMB'000	RMB'000
<b>Operating activities</b>	613,605	397,617
Profit before income tax		
Adjustments for:		
Recovery for doubtful debts and bad debts written off	-	(3)
Depreciation expense	7,905	10,978
Fair value (gain) loss on held-for-trading investment	(8,253)	1,214
Finance cost	60,238	42,783
Interest income	(13,496)	(7,853)
Net gain on disposal of property, plant and equipment	(140)	(511)
Net gain on disposal of investment properties	(217)	(734)
Share of (profit) loss of jointly controlled entities	(99,553)	2,379
Operating cash flows before movements in working capital	560,089	445,870
Properties for development	(1,647,596)	(602,730)
Inventories	2,518	1,388
Completed properties for sale	1,041,590	933,351
Properties under development for sale	(1,918,780)	(1,284,285)
Trade and other receivables and deposits	(190,334)	(106,304)
Trade and other payables	523,964	357,737
Cash used in operations	(1,628,549)	(254,973)
Interest paid	(318,365)	(278,408)
Income tax paid	(735,267)	(433,456)
Net cash used in operating activities	(2,682,181)	(966,837)



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	<b>1Q 2014</b>	<b>1Q 2013</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Investing activities</b>		
Investments in jointly controlled entities	-	(177,131)
Interest received	20,569	5,810
Decrease (Increase) in pledged bank deposits	2,147	(2,484)
Proceeds on disposal of property, plant and equipment	504	978
Proceeds on disposal of investment properties	2,003	5,881
Purchase of property, plant and equipment	(49,900)	(18,071)
Payment for investment properties	(21,676)	(19,557)
Advance to an associate	(12)	(17)
Repayment from (Advance to) jointly controlled entities	230	(13)
Repayment from (Advance to) non-controlling shareholders of subsidiaries	49,181	(20,047)
Net cash from (used in) investing activities	<u>3,046</u>	<u>(224,651)</u>
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders of subsidiaries	(224,728)	(356,000)
Proceeds from bank loans	1,774,014	1,682,459
Repayment of bank loans	(438,765)	(543,499)
Advance from directors	484	504
Advance from ultimate holding company	431,627	-
Advance from non-controlling shareholders of subsidiaries	379	-
Advance from other related parties	461	-
Cash injection from non-controlling shareholders of subsidiaries	-	53,631
Net cash from financing activities	<u>1,543,472</u>	<u>837,095</u>
Net decrease in cash and cash equivalents	(1,135,663)	(354,393)
Cash and cash equivalents at beginning of period	7,082,045	3,540,577
Effect of exchange rate changes on the balance of cash held in foreign currencies	(73,715)	39,707
<b>Cash and cash equivalents at end of period</b>	<u><u>5,872,667</u></u>	<u><u>3,225,891</u></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 2014

	GROUP		COMPANY	
	1Q 2014	1Q 2013	1Q 2014	1Q 2013
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit (Loss) for the period</b>	358,303	165,795	41,773	(210,015)
<b>Other comprehensive (expense) income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(147,438)	75,875	219,315	(119,187)
Cash flow hedge	8,137	-	-	-
<b>Other comprehensive (expense) income for the period</b>	(139,301)	75,875	219,315	(119,187)
<b>Total comprehensive income (expense) for the period</b>	219,002	241,670	261,088	(329,202)
<b>Total comprehensive income (expense) attributable to:</b>				
Equity holders of the Company	126,700	143,219	261,088	(329,202)
Non-controlling interests	92,302	98,451	-	-
	219,002	241,670	261,088	(329,202)



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# 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 2014

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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:											
Dividend 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>



# YANLORD LAND GROUP LIMITED

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## Unaudited Group Statements of Changes in Equity for the Period Ended 31 March 2013

	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2013</b>	7,261,726	(412,772)	181,505	781,973	(1,834,019)	(337,230)	10,688,570	16,329,753	10,353,503	26,683,256
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	67,305	67,305	98,490	165,795
Other comprehensive income for the period	-	75,914	-	-	-	-	-	75,914	(39)	75,875
<b>Total</b>	<b>-</b>	<b>75,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,305</b>	<b>143,219</b>	<b>98,451</b>	<b>241,670</b>
Transactions with owners, recognised directly in equity:										
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	53,631	53,631
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(356,000)	(356,000)
Appropriations	-	-	-	65,312	-	-	(65,312)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,312</b>	<b>-</b>	<b>-</b>	<b>(65,312)</b>	<b>-</b>	<b>(302,369)</b>	<b>(302,369)</b>
<b>Balance at 31 March 2013</b>	<b>7,261,726</b>	<b>(336,858)</b>	<b>181,505</b>	<b>847,285</b>	<b>(1,834,019)</b>	<b>(337,230)</b>	<b>10,690,563</b>	<b>16,472,972</b>	<b>10,149,585</b>	<b>26,622,557</b>



# YANLORD LAND GROUP LIMITED

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## 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
<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>	<b>7,261,726</b>	<b>(69,767)</b>	<b>181,505</b>	<b>(196,740)</b>	<b>7,176,724</b>

## Unaudited Company Statements of Changes in Equity for the Period Ended 31 March 2013

	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2013</b>	7,261,726	162,137	181,505	(723,305)	6,882,063
Total comprehensive expense for the period:					
Loss for the period	-	-	-	(210,015)	(210,015)
Other comprehensive expense for the period	-	(119,187)	-	-	(119,187)
Total	-	(119,187)	-	(210,015)	(329,202)
<b>Balance at 31 March 2013</b>	<b>7,261,726</b>	<b>42,950</b>	<b>181,505</b>	<b>(933,320)</b>	<b>6,552,861</b>



# YANLORD LAND GROUP LIMITED

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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 31 March 2014, the issued and fully paid-up share capital of the Company, net of expenses, was RMB7.262 billion (31 December 2013: 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 2013	1,948,736	7,261,726
As at 1 January 2014 and 31 March 2014	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.

In July 2012, the holders of S\$305 million outstanding Notes 2014 exercised their put options. As of 31 March 2014, RMB346 million (equivalent to S\$70 million) Notes 2014 remained outstanding for conversion into ordinary shares. No Note 2014 was converted into ordinary shares during the current financial period.



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Based on the conversion price of S\$2.52 per share (31 March 2013: S\$2.56) and assuming the Notes 2014 are fully converted, the number of new ordinary shares to be issued would be approximately 27,777,777 shares as at 31 March 2014 (31 March 2013: 27,343,750 shares).

## Treasury Shares

The Company did not hold any treasury shares as at 31 March 2014 and 31 March 2013.

**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 2014 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.





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**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 2013, as well as all the applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 January 2014.

**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 2013 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 equity holders of the Company after deducting any provision for preference dividends.**

	<b>GROUP</b>	
	<b>1Q 2014</b>	<b>1Q 2013</b>
	(Unaudited)	(Unaudited)
<b>EPS based on Group's profit attributable to equity holders of the Company:</b>		
<b>(i) On the weighted average number of shares (RMB)</b>	13.65 cents	3.45 cents
<b>- Weighted average number of shares ('000)</b>	1,948,736	1,948,736
<b>(ii) On a fully diluted basis (RMB)</b>	13.54 cents	3.45 cents
<b>- Adjusted weighted average number of shares ('000)</b>	1,976,514	1,948,736



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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	
	31.03.2014 (Unaudited)	31.12.2013 (Unaudited)	31.03.2014 (Unaudited)	31.12.2013 (Unaudited)
<b>Net asset value per share based on issued share capital at the end of the period / year (RMB)</b>	9.27	9.20	3.68	3.55

**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 2014 vs. 1Q 2013**

Driven by higher ASP per sqm in 1Q 2014 as mentioned above in Note 1(a), the Group achieved 5.0% or RMB84 million growth in revenue to RMB1.763 billion in 1Q 2014 as compared to 1Q 2013, despite the lower GFA delivered in current reporting period over the respective period in 2013. Revenue in 1Q 2014 was mainly generated from the delivery of existing projects namely, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) and Bayside Gardens (御澜湾苑) in Shanghai, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) and Yanlord Riverside Plaza (Phase 2) (仁恒海河广场二期) in Tianjin, Yanlord Lakeview Bay – Land Parcel A6 (仁恒双湖湾 – A6 地块) in Suzhou and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai, which contributed to Group's gross revenue from the sales of properties of 36.9%, 16.8%, 17.9%, 5.5%, 5.9% and 5.7% respectively.



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Gross profit decreased slightly by 3.1% to RMB640 million in 1Q 2014 from RMB661 million in 1Q 2013. Due to the change in composition of product mix as mentioned above in Note 1(a), the Group's gross profit margin was lower at 36.3% in 1Q 2014 as compared to 39.4% in 1Q 2013. However, projects of Yanlord namely, Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城二期) in Nanjing, Yanlord Lakeview Bay – Land Parcel A6 (仁恒双湖湾 – A6 地块) in Suzhou, Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑一期) and Bayside Gardens (御澜湾苑) in Shanghai, Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Tianjin and Yanlord New City Gardens (Phase 2 – Section 2) (仁恒星园二期二段) in Zhuhai continued to receive positive responses from the market with its ASPs per sqm and gross profit margins experiencing growths in 1Q 2014.

Profit before income tax increased 54.3% or RMB216 million to RMB614 million in 1Q 2014 from RMB398 million in 1Q 2013 mainly attributable to the net foreign exchange gain and share of profit of jointly controlled entities recorded in 1Q 2014 as compared to losses in the respective period last year as mentioned above in Note 1(a). Hence, profit before income tax margin grew up to 34.8% in 1Q 2014 from 23.7% in 1Q 2013, represented a substantial increase of 11.1 percentage points.

As such, profit for the period and its margin saw considerable improvements to RMB358 million in 1Q 2014 from RMB166 million in 1Q 2013 and to 20.3% in 1Q 2014 from 9.9% in 1Q 2013 respectively, represented increases of RMB193 million and 10.4 percentage points respectively.

**b) any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

## **STATEMENTS OF FINANCIAL POSITION**

### Convertible notes

As at 31 March 2014, convertible notes reported at RMB341 million as compared to RMB326 million as at 31 December 2013. The difference between the nominal value of convertible notes of RMB346 million as mentioned in Note 1(e)(ii) for Notes 2014 and the book value of RMB341 million (as recorded herein) was mainly attributable to the fair value of conversion options (recorded as "Reserves" in the statements of financial position in accordance with the relevant accounting standards).



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## Other payables

Other payables, which mainly included advances received from customers, increased by 18.0% or RMB1.187 billion to RMB7.796 billion as at 31 March 2014 from RMB6.609 billion as at 31 December 2013 mainly due to an increase in pre-sales proceeds received from customers.

## **STATEMENTS OF CASH FLOWS**

### Net cash used in operating activities

Net cash outflow in operating activities increased to RMB2.682 billion in 1Q 2014 from RMB967 million in 1Q 2013 mainly due to an increase in construction cost payment on various projects and the final landbank payment on Nanjing Eco Hi-tech Island - Land Parcel G73 (南京生态科技岛 – G73 地块), a project newly acquired in October 2013.

### Net bank loan drawdown

Net bank loan drawdown was higher at RMB1.335 billion in 1Q 2014 as compared to RMB1.139 billion in 1Q 2013 as a result of an increase in drawdown and a decrease in repayment, in-line with our increase 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.



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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

Near term uncertainties may continue to persist in the PRC real estate sector. However, the Group remains confident about the long term potential of the PRC real estate sector driven by the sustained development of the PRC economy and stable underlying demand for quality residential developments in key cities across the country. Based on statistics released by the PRC National Bureau of Statistics, new home prices across 70 major cities in China rose 7.7% in March 2014 from March 2013.

## COMPANY OUTLOOK

In-line with the Group's delivery schedule, the Group expects to deliver most of its pre-sale units in the subsequent quarters which will serve to enhance its recognised revenue for FY 2014. As at 31 March 2014, the Group has received advances for pre-sale properties (recorded as "Other payables" in the statements of financial position), amounting to RMB7.024 billion, with a total pre-sale amount of RMB10.156 billion.

The Group will continue to launch new projects and new batches of its existing projects in 2Q 2014 namely, Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城三期) in Nanjing, 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, Yanlord Lakeview Bay - Land Parcels A2 and A5 (仁恒双湖湾 – A2及A5地块) in Suzhou and Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园二期) in Tianjin as well as Tianjin Jinnan Land (Phase 1 and 2) (景新花园一期及二期).



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## Outlook

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

Barring any 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 2014 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  
14 May 2014