



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

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YANLORD LAND GROUP LIMITED

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A. Condensed Interim Consolidated Statement of Profit or Loss

	Note	GROUP		
		1H 2022	1H 2021	Change %
		RMB'000	RMB'000	+ / (-)
Revenue	7	11,338,858	13,189,007	(14)
Cost of sales		(7,305,736)	(9,669,465)	(24)
Gross profit		4,033,122	3,519,542	15
Other operating income and other gains		299,417	408,320	(27)
Selling expenses		(209,994)	(272,387)	(23)
Administrative expenses		(674,395)	(782,444)	(14)
Other operating expenses		(16,758)	(23,034)	(27)
Finance cost		(524,006)	(596,615)	(12)
Share of (loss) profit of associates		(8,558)	95,774	NM
Share of profit of joint ventures		293,844	277,245	6
Profit before income tax		3,192,672	2,626,401	22
Income tax		(1,435,498)	(1,059,035)	36
Profit for the period	8	1,757,174	1,567,366	12
Profit attributable to:				
Owners of the Company		1,376,967	823,394	67
Non-controlling interests		380,207	743,972	(49)
		1,757,174	1,567,366	12
Earnings per share (Renminbi cents)	9			
- Basic		71.29	42.63	67
- Diluted		71.29	42.63	67

NM: Not meaningful

See accompanying notes to condensed interim financial statements.



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B. Condensed Interim Consolidated Statement of Comprehensive Income

	GROUP	
	1H 2022	1H 2021
	RMB'000	RMB'000
Profit for the period	1,757,174	1,567,366
Other comprehensive expense:		
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Currency translation difference	(134,007)	(683,165)
Change in fair value of financial assets at fair value through other comprehensive income	(11,051)	13,704
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Currency translation difference	(465,127)	649,869
Share of other comprehensive income (expense) of a joint venture	7	(196)
Share of other comprehensive (expense) income of associates	(133)	5,160
Other comprehensive expense for the period, net of tax	<u>(610,311)</u>	<u>(14,628)</u>
Total comprehensive income for the period	<u>1,146,863</u>	<u>1,552,738</u>
Total comprehensive income attributable to:		
Owners of the Company	765,414	799,015
Non-controlling interests	381,449	753,723
	<u>1,146,863</u>	<u>1,552,738</u>



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C. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment		3,511,321	3,603,207	-	-
Investment properties	10	30,955,957	30,482,077	-	-
Right-of-use assets		195,651	223,542	-	-
Properties for development	11	3,547,936	9,919,786	-	-
Investments in subsidiaries		-	-	19,145,237	18,751,363
Investments in associates		2,045,326	2,061,148	-	-
Investments in joint ventures		10,159,354	10,110,532	-	-
Other receivables and deposits		2,364,996	2,409,445	-	-
Non-trade amounts due from:					
Associates		1,146,288	1,148,764	-	-
Joint ventures		1,810,967	1,799,988	-	-
Non-controlling shareholders of subsidiaries		735,977	757,977	-	-
Financial assets at fair value through other comprehensive income		384,604	393,034	-	-
Intangible asset		812	812	-	-
Deferred tax assets		563,456	577,930	-	-
Pledged bank deposits		6,005	-	-	-
Total non-current assets		57,428,650	63,488,242	19,145,237	18,751,363
Current assets					
Inventories		212,134	203,957	-	-
Completed properties for sale	11	7,528,939	10,000,588	-	-
Properties under development for sale	11	49,764,312	30,952,651	-	-
Trade receivables		1,292,721	930,122	-	-
Other receivables and deposits		6,536,400	5,454,748	-	-
Non-trade amounts due from:					
Subsidiary		-	-	18,654	-
Associates		1,704,395	1,713,941	-	-
Joint ventures		9,532,141	10,030,971	-	-
Non-controlling shareholders of subsidiaries		10,675,199	8,781,371	-	-



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	<u>Note</u>	GROUP		COMPANY	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		RMB'000	RMB'000	RMB'000	RMB'000
Other related parties		4,769	4,735	-	-
Income tax prepayment		2,791,610	1,067,091	-	-
Financial assets at fair value through profit or loss		3,550	-	-	-
Pledged bank deposits		176,983	268,301	-	-
Cash and cash equivalents		21,301,601	21,551,718	49,567	4,098
Total current assets		111,524,754	90,960,194	68,221	4,098
Total assets		168,953,404	154,448,436	19,213,458	18,755,461
<u>EQUITY AND LIABILITIES</u>					
Capital, reserves and non-controlling interests					
Share capital	12	7,261,726	7,261,726	7,261,726	7,261,726
Reserves		27,163,164	27,013,954	(20,200)	(199,809)
Equity attributable to owners of the Company		34,424,890	34,275,680	7,241,526	7,061,917
Non-controlling interests		9,955,678	9,579,940	-	-
Total equity		44,380,568	43,855,620	7,241,526	7,061,917
Non-current liabilities					
Bank and other borrowings					
– due after one year	14	29,064,012	25,570,387	-	-
Senior notes	14	5,998,570	7,915,018	-	-
Lease liabilities		158,232	163,527	-	-
Deferred tax liabilities		4,579,119	4,620,894	-	-
Other payables		273,810	285,350	-	-
Non-trade amounts due to:					
Joint venture		200,000	200,000	-	-
Non-controlling shareholders of subsidiaries		494,490	176,106	-	-
Put liability to acquire non-controlling interests		338,432	338,432	-	-
Deferred income		74,302	100,604	-	-
Total non-current liabilities		41,180,967	39,370,318	-	-



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	<u>Note</u>	GROUP		COMPANY	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Bank and other borrowings					
– due within one year	14	9,603,326	9,189,332	-	-
Senior notes	14	2,343,440	-	-	-
Lease liabilities		51,015	71,681	-	-
Trade payables		10,558,040	10,651,900	-	-
Other payables		4,024,811	4,056,293	106	4,672
Contract liabilities		31,701,129	23,399,875	-	-
Non-trade amounts due to:					
Subsidiaries		-	-	11,930,772	11,647,479
Associates		1,356,816	792,795	-	-
Joint ventures		15,722,257	12,267,340	-	-
Directors		41,555	41,893	41,054	41,393
Non-controlling shareholders of					
subsidiaries	14	2,566,817	3,104,939	-	-
Other related parties		17,515	16,606	-	-
Income tax payable		5,405,148	7,629,844	-	-
Total current liabilities		83,391,869	71,222,498	11,971,932	11,693,544
Total equity and liabilities		168,953,404	154,448,436	19,213,458	18,755,461

See accompanying notes to condensed interim financial statements.



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D. Condensed Interim Statements of Changes in Equity

Note	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP										
	7,261,726	(132,309)	(303,870)	3,266,529	(1,834,019)	(2,574,669)	25,520,758	31,204,146	9,413,419	40,617,565
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	823,394	823,394	743,972	1,567,366
Other comprehensive expense for the period	-	-	(29,061)	-	-	4,682	-	(24,379)	9,751	(14,628)
Total	-	-	(29,061)	-	-	4,682	823,394	799,015	753,723	1,552,738
Transactions with owners, recognised directly in equity:										
Acquisition of subsidiaries	17	-	-	-	-	-	-	-	194,131	194,131
Change of interest in a subsidiary	-	-	-	-	-	(173,378)	-	(173,378)	(985,102)	(1,158,480)
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	-	98,000	98,000
Capital withdrawal by non-controlling shareholders	-	-	-	-	-	-	-	-	(123,876)	(123,876)
Dividends	15	-	-	-	-	-	(640,540)	(640,540)	-	(640,540)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(5,553)	(5,553)
Share of share option reserve from associates	-	-	-	-	-	429	-	429	-	429
Put liability to acquire non-controlling interest	-	-	-	-	-	1,158,480	-	1,158,480	-	1,158,480
Appropriations	-	-	-	22,524	-	-	(22,524)	-	-	-
Total	-	-	-	22,524	-	985,531	(663,064)	344,991	(822,400)	(477,409)
Balance at June 30, 2021	7,261,726	(132,309)	(332,931)	3,289,053	(1,834,019)	(1,584,456)	25,681,088	32,348,152	9,344,742	41,692,894



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Note	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP										
Balance at January 1, 2022	7,261,726	(132,309)	(255,063)	3,461,228	(1,834,019)	(1,569,878)	27,343,995	34,275,680	9,579,940	43,855,620
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	1,376,967	1,376,967	380,207	1,757,174
Other comprehensive expense for the period	-	-	(600,376)	-	-	(11,177)	-	(611,553)	1,242	(610,311)
Total	-	-	(600,376)	-	-	(11,177)	1,376,967	765,414	381,449	1,146,863
Transactions with owners, recognised directly in equity:										
Acquisition of subsidiaries	17	-	-	-	-	-	-	-	1,167,174	1,167,174
Change of interest in subsidiaries	-	-	-	-	-	75	-	75	(128)	(53)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	29,500	29,500
Capital withdrawal by non-controlling shareholders	-	-	-	-	-	-	-	-	(892,591)	(892,591)
Dividends	15	-	-	-	-	-	(616,426)	(616,426)	-	(616,426)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(309,666)	(309,666)
Share of share option reserve from an associate	-	-	-	-	-	147	-	147	-	147
Appropriations	-	-	-	19,798	-	-	(19,798)	-	-	-
Total	-	-	-	19,798	-	222	(636,224)	(616,204)	(5,711)	(621,915)
Balance at June 30, 2022	7,261,726	(132,309)	(855,439)	3,481,026	(1,834,019)	(1,580,833)	28,084,738	34,424,890	9,955,678	44,380,568



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Note	Share capital RMB'000	Treasury shares RMB'000 (Note 13)	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
COMPANY					
Balance at January 1, 2021	7,261,726	(132,309)	(59,150)	326,827	7,397,094
Total comprehensive income for the period:					
Profit for the period	-	-	-	675,902	675,902
Other comprehensive expense for the period	-	-	(193,709)	-	(193,709)
Total	-	-	(193,709)	675,902	482,193
Transaction with owners, recognised directly in equity:					
Dividends	-	-	-	(640,540)	(640,540)
Total	-	-	-	(640,540)	(640,540)
Balance at June 30, 2021	<u>7,261,726</u>	<u>(132,309)</u>	<u>(252,859)</u>	<u>362,189</u>	<u>7,238,747</u>
Balance at January 1, 2022	7,261,726	(132,309)	(380,712)	313,212	7,061,917
Total comprehensive income for the period:					
Profit for the period	-	-	-	646,559	646,559
Other comprehensive income for the period	-	-	149,476	-	149,476
Total	-	-	149,476	646,559	796,035
Transaction with owners, recognised directly in equity:					
Dividends	-	-	-	(616,426)	(616,426)
Total	-	-	-	(616,426)	(616,426)
Balance at June 30, 2022	<u>7,261,726</u>	<u>(132,309)</u>	<u>(231,236)</u>	<u>343,345</u>	<u>7,241,526</u>

See accompanying notes to condensed interim financial statements.



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E. Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	1H 2022	1H 2021
Note	RMB'000	RMB'000
Operating activities		
Profit before income tax	3,192,672	2,626,401
Adjustments for:		
Allowance for doubtful debts and bad debts written-off (written-back)	2,035	(8)
Depreciation expense	155,075	168,888
Dividend income from financial assets at fair value through other comprehensive income	(4,178)	(5,716)
Fair value gain on financial asset at fair value through profit or loss	(50)	(92)
Fair value gain from put liability to acquire non-controlling interest	-	(65,251)
Finance cost	524,006	596,615
Interest income	(167,901)	(216,600)
Gain on remeasurement of retained interests in joint ventures	(60,117)	(73,954)
Net gain on disposal of property, plant and equipment	(939)	(4,123)
Net gain on disposal of investment properties	-	(121)
Share of loss (profit) of associates	8,558	(95,774)
Share of profit of joint ventures	(293,844)	(277,245)
Gain on change of control from a subsidiary to a joint venture	-	(390)
Operating cash flows before movements in working capital	3,355,317	2,652,630
Properties for development	(310,243)	(1,409,125)
Inventories	(8,151)	6,060
Completed properties for sale	6,229,267	6,826,561
Properties under development for sale	(3,347,337)	(1,900,635)
Trade and other receivables and deposits	(721,840)	43,328
Trade and other payables	381,850	(1,023,837)
Contract liabilities	(3,923,318)	1,848,451
Cash generated from operations	1,655,545	7,043,433
Interest paid	(1,214,545)	(1,184,576)
Income tax paid	(4,804,417)	(1,639,087)
Net cash (used in) from operating activities	(4,363,417)	4,219,770



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	Note	GROUP	
		1H 2022 RMB'000	1H 2021 RMB'000
Investing activities			
Cash acquired from acquisition of subsidiaries	17	1,296,772	258,149
Change of control from subsidiaries to joint ventures	18	-	9,192
Investments in joint ventures		(490)	(25,238)
Investments in associates		(5,187)	(4,000)
Dividend received from associates		14,149	2,437
Dividend received from financial assets at fair value through other comprehensive income		8,322	5,716
Interest received		503,678	137,344
Decrease in pledged bank deposits		85,313	99,381
Proceeds on disposal of partial interest of a joint venture		-	690,000
Proceeds on disposal of property, plant and equipment		2,013	4,592
Proceeds on disposal of investment properties		-	239
Proceeds on disposal of financial asset at fair value through profit or loss		3,500	16,750
Payment for property, plant and equipment		(36,328)	(30,408)
Payment for investment properties		(275,584)	(254,236)
Purchase of financial assets at fair value through other comprehensive income		(200)	-
Purchase of financial assets at fair value through profit or loss		(7,000)	(323,390)
Advance to associates		(70,527)	(206,506)
Repayment from associates		122,430	211,456
Advance to joint ventures		(774,131)	(644,254)
Repayment from joint ventures		1,664,905	2,058,857
Advance to non-controlling shareholders of subsidiaries		(1,513,874)	(682,980)
Net cash from investing activities		1,017,761	1,323,101



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	Note	GROUP	
		1H 2022 RMB'000	1H 2021 RMB'000
Financing activities			
Dividends paid	15	(616,426)	(640,540)
Dividends paid to non-controlling shareholders of subsidiaries		(151,036)	(5,553)
Net proceeds on issue of senior notes		-	3,199,303
Redemption of senior notes		-	(3,132,166)
Proceeds from bank and other borrowings		9,639,942	7,311,810
Repayment of bank and other borrowings		(6,298,811)	(6,409,063)
Repayment of lease liabilities		(36,671)	(35,492)
Advance from associates		539,820	46,645
Repayment to associates		(23,000)	(17,700)
Advance from joint ventures		3,241,693	1,844,586
Repayment to joint ventures		(1,436,429)	(2,714,020)
Repayment to directors		(1,201)	(102,442)
Advance from non-controlling shareholders of subsidiaries		75,018	2,388,199
Repayment to non-controlling shareholders of subsidiaries		(1,252,525)	(530,102)
Advance from other related parties		-	2,150
Capital injection from non-controlling shareholders of subsidiaries		29,500	98,000
Capital withdrawal by non-controlling shareholders of subsidiaries		(624,413)	(121,286)
Acquisition of non-controlling interests in subsidiaries		(99)	(1,093,229)
Net cash from financing activities		<u>3,085,362</u>	<u>89,100</u>
Net (decrease) increase in cash and cash equivalents		(260,294)	5,631,971
Cash and cash equivalents at beginning of period		21,551,718	17,199,902
Effect of exchange rate changes on the balances of cash held in foreign currencies		10,177	(137,062)
Cash and cash equivalents at end of period		<u><u>21,301,601</u></u>	<u><u>22,694,811</u></u>

See accompanying notes to condensed interim financial statements.



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F. Notes to the Condensed Interim Financial Statements

1. General

Yanlord Land Group Limited (“Company”) (Registration No. 200601911K) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Temasek Boulevard, #36-02 Suntec Tower Two, Singapore 038989. The Company is listed on the Mainboard of the Singapore Exchange. These are condensed interim financial statements of the Company and its subsidiaries (collectively, “Group”) as at or for the six months ended June 30, 2022 (“1H 2022”), with the comparative financial statements as at or for the six months ended June 30, 2021 (“1H 2021”) and as at December 31, 2021.

The principal activities of the Group are in the business of property development, property investment and hotel operations as well as property management.

2. Basis of preparation

The condensed interim financial statements for 1H 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* and International Financial Reporting Standards (“IFRS”) 34 *Interim Financial Reporting*, and do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included herein to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since its last audited financial statements for the financial year ended December 31, 2021 (“FY 2021”).

The accounting policies and methods of computation adopted in the condensed interim financial statements for 1H 2022 are consistent with those of the audited financial statements for FY 2021 which were prepared in accordance with SFRS(I) and IFRS, except for the adoption of new and amended standards as set out in Note 2.1. SFRS(I) is identical to IFRS.

The condensed interim financial statements for 1H 2022 are presented in Renminbi (“RMB”), and all amounts in these condensed interim financial statements are rounded to the nearest thousand (“RMB’000”), except where otherwise stated.

2.1 Adoption of new and revised standards

On January 1, 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current reporting period or prior years’ financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for FY 2021.



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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised if the revision affects only that reporting period, or in the reporting period of the revision and future reporting periods if the revision affects both current and future reporting periods.

4. Financial instruments

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	30.06.2022 RMB'000	31.12.2021 RMB'000	30.06.2022 RMB'000	31.12.2021 RMB'000
Financial assets				
Financial assets at amortised cost (including cash and cash equivalents)	54,320,283	52,498,839	68,221	4,098
Financial assets at fair value through profit or loss ("FVTPL")	3,550	-	-	-
Financial assets at fair value through other comprehensive income ("FVTOCI")	384,604	393,034	-	-
	<u>54,708,437</u>	<u>52,891,873</u>	<u>68,221</u>	<u>4,098</u>
Financial liabilities				
Financial liabilities at amortised cost	81,230,274	73,201,095	11,971,932	11,693,544
Financial liabilities at FVTPL: Put liabilities to acquire non-controlling interests	338,432	338,432	-	-
	<u>81,568,706</u>	<u>73,539,527</u>	<u>11,971,932</u>	<u>11,693,544</u>

(b) Fair value of financial assets and financial liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



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The following table presented the financial assets and financial liabilities measured at fair value:

Financial assets / (liabilities)	Fair value hierarchy	Fair value as at	
		30.06.2022	31.12.2021
		RMB'000	RMB'000
GROUP			
Put liabilities to acquire non-controlling interests	Level 3	(338,432)	(338,432)
Financial assets at FVTOCI	Level 1	105,531	122,500
Financial assets at FVTOCI	Level 3	279,073	270,534
Financial assets at FVTPL	Level 1	3,550	-

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the reporting period under review.

5. Related party transactions

During the period, the Group entered into the following transactions with related parties:

	GROUP	
	1H 2022	1H 2021
	RMB'000	RMB'000
Sales of properties to a joint venture	9,174	-
Sales of properties to key management personnel and close members of their families	6,517	5,508
Interest income from associates	16,993	48,269
Interest income from joint ventures	13,968	45,106
Other income from associates	19,901	21,685
Other income from joint ventures	111,168	132,501
Other income from a related party	1,633	1,826
Development cost to joint ventures	489	-
Interest expense to joint ventures	86,186	41,017
Other expense to a joint venture	2,053	-

As at June 30, 2022, the Group recognised right-of-use assets and corresponding liabilities in respect of leases of land and buildings for the office premises and staff accommodation from a director of the Company and a company in which a director of the Company has control over, amounting to RMB21 million and RMB21 million (June 30, 2021 : RMB23 million and RMB23 million) respectively. The depreciation of the right-of-use assets and interest expenses associated with the lease liabilities recognised in the profit or loss in 1H 2022 are RMB9 million and RMB0.4 million (1H 2021 : RMB6 million and RMB0.3 million) respectively. As at June 30, 2022, the Group has contracted with a joint venture for future minimum lease receipts of RMB1.247 billion (June 30, 2021 : RMB1.368 billion). As at June 30, 2022, advance amounting to RMB7 million (June 30, 2021: RMB5 million) has been received from a joint venture in respect of the lease of properties.

As at June 30, 2022, the Group has recorded pre-sales of properties totaling RMB18 million (June 30, 2021 : RMB36 million) to key management and close members of their families. As at June 30, 2022, advances amounting to RMB18 million (June 30, 2021 : RMB22 million) have been received from key management and close members of their families in relation to the pre-sales of properties.



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6. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the reporting period under review.

7. Segment and revenue information

The Group's reportable operating segments are as follows:

- (i) Property development: Development of residential, commercial and other properties.
- (ii) Property investment and hotel operations: Leasing of properties to generate rental income and to gain from the appreciation in the value of the properties in the long term and operating hotels to generate accommodation service and related income.
- (iii) Property management: Provision of property management and ancillary services.
- (iv) Others: Investment holding, project management business for projects bearing the "Yanlord" brand name, manufacture of die-cast precision parts and components, supply and installation of building materials, provision of system integration for security and surveillance, satellite and telecommunication and others such as sand mining.

7.1 Reportable segment

Information regarding the operations of each reportable segment is included below. Management monitors the operating results of each operating segment for the purpose of making decisions on resource allocation and performance assessment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	GROUP			
	Revenue		Profit (Loss) before income tax	
	1H 2022	1H 2021	1H 2022	1H 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	9,430,504	11,359,781	3,076,042	2,734,553
Property investment and hotel operations	629,974	691,578	165,366	206,015
Property management	440,920	419,606	(7,887)	36,881
Others	837,460	718,042	(40,849)	(351,048)
Total	11,338,858	13,189,007	3,192,672	2,626,401



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Segment profit represents the profit earned by each segment as determined using the Group's accounting policies. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets

	GROUP	
	30.06.2022	31.12.2021
	RMB'000	RMB'000
Property development	105,655,174	98,492,116
Property investment and hotel operations	35,952,239	34,629,158
Property management	713,405	753,085
Others	26,632,586	20,574,077
Total assets	168,953,404	154,448,436

All assets are allocated to reportable segments. Liabilities are not allocated as they are not monitored by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other segment information

	GROUP			
	Depreciation		Additions to non-current assets	
	1H 2022	1H 2021	1H 2022	1H 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	50,045	48,085	7,866,959	1,843,437
Property investment and hotel operations	66,762	81,432	281,138	6,278
Property management	2,664	3,831	1,781	2,545
Others	36,461	36,653	26,945	45,988
Total	155,932	170,001	8,176,823	1,898,248

Geographical information

The Group operates in two principal geographical areas – the People's Republic of China ("PRC") and Singapore.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding other receivables and deposits, non-trade amounts due from associates, joint ventures and non-controlling shareholders of subsidiaries, financial assets at fair value through other comprehensive income, deferred tax assets and pledged bank deposits) by geographical location are detailed below:

	GROUP			
	Revenue from external customers		Non-current assets	
	1H 2022	1H 2021	30.06.2022	31.12.2021
	RMB'000	RMB'000	RMB'000	RMB'000
PRC	9,783,557	12,483,275	38,986,485	45,193,803
Singapore	1,303,882	490,471	10,873,857	10,651,913
Others	251,419	215,261	556,015	555,388
Total	11,338,858	13,189,007	50,416,357	56,401,104



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7.2 Disaggregation of Revenue

	GROUP	
	1H 2022 RMB'000	1H 2021 RMB'000
Types of goods or services		
Income from property development – sales of properties	9,430,504	11,359,781
Income from hotel operations	138,188	227,210
Income from property management	440,920	419,606
Income from others	837,460	718,042
	<u>10,847,072</u>	<u>12,724,639</u>
Income from property investment – lease of properties	491,786	464,368
Total	<u>11,338,858</u>	<u>13,189,007</u>
Timing of revenue of recognition		
A point in time	8,815,295	11,944,889
Over time	2,031,777	779,750
Total	<u>10,847,072</u>	<u>12,724,639</u>

8. Profit for the period

Profit for the period has been arrived at after charging (crediting):

	GROUP	
	1H 2022 RMB'000	1H 2021 RMB'000
Allowance for doubtful debts and bad debts written-off (written-back)	2,035	(8)
Depreciation expense	155,075	168,888
Dividend income from financial assets at FVTOCI	(4,178)	(5,716)
Fair value gain on financial asset at FVTPL	(50)	(92)
Fair value gain from put liability to acquire non-controlling interest	-	(65,251)
Finance cost	524,006	596,615
Interest income	(167,901)	(216,600)
Gain on remeasurement of retained interests in joint ventures	(60,117)	(73,954)
Net gain on disposal of property, plant and equipment	(939)	(4,123)
Net gain on disposal of investment properties	-	(121)
Net foreign exchange loss	16,081	57,057
Adjustments for under (over) provision of tax in respect of prior years	6,276	(750)



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9. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	GROUP	
	1H 2022	1H 2021
	RMB'000	RMB'000
<u>Earnings</u>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	1,376,967	823,394
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,931,535	1,931,535
Earnings per share (Renminbi cents):		
Basic and diluted	71.29	42.63

There is no potential dilutive ordinary share in 1H 2022 and 1H 2021.

10. Investment properties

	GROUP	
	30.06.2022	31.12.2021
	RMB'000	RMB'000
At fair value:		
Balance as at beginning of financial period/year	30,482,077	30,089,567
Additions	275,584	696,589
Change in fair value	-	133,405
Disposals	-	(352)
Transfer to completed properties for sale	-	(15,163)
Transfer from construction-in-progress	-	3,240
Exchange difference	198,296	(425,209)
Balance as at end of the period/year	30,955,957	30,482,077

The fair value of investment properties have been determined on the basis of valuations carried out at the respective year end dates by independent property valuers having recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group.



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The fair value was determined based on the direct comparison approach that reflects recent transaction prices or current asking prices for similar properties, the income capitalisation approach where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood and the residual approach whereby the fair value is determined by taking into consideration the projected total development value, costs incurred, expected cost to completion and developer's profit. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at June 30, 2022, management conducted an internal assessment on the valuation of the investment properties, including considering any significant changes in operating performance of the properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from December 31, 2021.

The outbreak of the COVID-19 pandemic has impacted the market activity in many property sectors. As the impact of the COVID-19 pandemic is fluid and evolving, significant market uncertainty may exist. The fair value of investment properties, which determined on the basis of valuations carried out at the respective year end dates, may further subject to material estimation uncertainty, and values may change more rapidly and significantly than during standard market condition. The Group will monitor the impact of the COVID-19 pandemic that may bring to the valuation of its investment properties.

The Group's investment properties as at the end of the reporting period were under Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during 1H 2022.

11. Properties for development/Completed properties for sale/Properties under development for sale

	GROUP	
	30.06.2022	31.12.2021
	RMB'000	RMB'000
At cost:		
Properties for development (Non-current assets)	3,547,936	9,919,786
Completed properties for sale (Current assets)	7,528,939	10,000,588
Properties under development for sale (Current assets)	49,764,312	30,952,651
	60,841,187	50,873,025

Properties for development, completed properties for sale and properties under development for sale are located in the PRC, Singapore and Malaysia.

12. Share capital

There were no changes in the share capital of the Company arising from rights issue, bonus issue, subdivision, consolidation, 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 December 31, 2021 and the Company has not issued any convertibles. The total number of issued ordinary shares and share capital (net of expenses) of the Company, as at June 30, 2022, December 31, 2021 and June 30, 2021, are as follows:

	30.06.2022	31.12.2021	30.06.2021
Number of issued ordinary shares	1,948,736,476	1,948,736,476	1,948,736,476
Share capital (net of expenses) (RMB'000)	7,261,726	7,261,726	7,261,726



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Subsidiary Holdings

There were no subsidiary holdings held against the total number of issued ordinary shares of the Company and there were no sales, transfers, cancellation and/or use of subsidiary holdings as at June 30, 2022 (December 31, 2021 : Nil; June 30, 2021 : Nil).

13. Treasury shares

During 1H 2021, the Company did not purchase or acquire any of its ordinary shares. The number of ordinary shares of the Company held in treasury as well as the total amount paid to acquire such treasury shares (which had been deducted from equity attributable to owners of the Company), as at June 30, 2022, December 31, 2021 and June 30, 2021, are as follows:

	<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2021</u>
Number of treasury shares	17,201,100	17,201,100	17,201,100
Total amount paid (RMB'000)	132,309	132,309	132,309

There were no sales, transfers, cancellation and/or use of treasury shares as at June 30, 2022 (December 31, 2021 : Nil; June 30, 2021 : Nil). The total number of issued shares of the Company excluding treasury shares as at June 30, 2022, December 31, 2021 and June 30, 2021, are as follows:

	<u>30.06.2022</u>	<u>31.12.2021</u>	<u>30.06.2021</u>
Number of issued ordinary shares (excluding treasury shares)	1,931,535,376	1,931,535,376	1,931,535,376
Percentage of aggregate number of treasury shares held against total number of ordinary shares (excluding treasury shares)	0.9%	0.9%	0.9%

14. Borrowings and debt securities

The Group's borrowings and debt securities comprise bank and other borrowings, senior notes and current loans from non-controlling shareholders.

	<u>GROUP</u>	
	<u>30.06.2022</u>	<u>31.12.2021</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Amount repayable in one year or less, or on demand:		
- Secured	4,255,990	3,992,547
- Unsecured	9,130,587	5,563,189
	<u>13,386,577</u>	<u>9,555,736</u>
Amount repayable after one year:		
- Secured	20,595,243	16,859,384
- Unsecured	14,770,709	16,626,021
	<u>35,365,952</u>	<u>33,485,405</u>
Total	<u>48,752,529</u>	<u>43,041,141</u>



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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 pledged bank deposits.

15. Dividends

In 1H 2022, approximately RMB616 million of dividends was declared and paid in respect of a final tax-exempt dividend of 6.80 Singapore cents (equivalent to 31.91 Renminbi cents) per ordinary share of the Company for FY 2021.

In 1H 2021, approximately RMB641 million of dividends was declared and paid in respect of a final tax-exempt dividend of 6.80 Singapore cents (equivalent to 33.16 Renminbi cents) per ordinary share of the Company for the financial year ended December 31, 2020.

16. Net asset value

	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) of the Company at the end of the period/year	17.82	17.75	3.75	3.66

17. Acquisition of subsidiaries

Acquisition of subsidiaries in 1H 2021

- (a) On March 4, 2021, the Group acquired 50% equity interest in Shanghai Youyou Dongdao Real Estate Co., Ltd. for a cash consideration of RMB25 million.
- (b) As a result of the change in articles of association of Nantong Hechuang Real Estate Co., Ltd. ("Nantong Hechuang") on May 11, 2021, the Group obtained control over Nantong Hechuang, an entity previously held as a 51%-owned joint venture through its 60%-owned subsidiary, Yanlord Land (Nantong) Co., Ltd.. Following the change, Nantong Hechuang became a 30.6%-owned subsidiary of the Group. Consequently, the Group reclassified Nantong Hechuang as a subsidiary from a joint venture.

Acquisition of subsidiaries in 1H 2022

- (a) On February 24, 2022, the Group acquired an additional 1% equity interest in Hangzhou Renyuan Property Development Co., Ltd. ("Hangzhou Renyuan"), which in turn owned 100% equity interest in Hangzhou Renxiang Property Development Co., Ltd. ("Hangzhou Renxiang"), for a cash consideration of approximately RMB0.5 million. Following the transaction, the Group's equity interests in both Hangzhou Renyuan and Hangzhou Renxiang have increased from 50% to 51% and Hangzhou Renyuan and Hangzhou Renxiang became 51%-owned subsidiaries of the Group.
- (b) On May 9, 2022, the Group acquired 60% equity interest in Dongguan Jiayi Industrial Investment Co., Ltd. ("Dongguan Jiayi") by way of an increase in the registered capital of Dongguan Jiayi for an amount of RMB75 million.



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- (c) As a result of the change in co-operation agreement of Yanlord Eco Island Investments Pte. Ltd. ("Yanlord Eco Island") on April 30, 2022, the Group obtained control over Yanlord Eco Island, an entity previously held as a 51%-owned joint venture. Following the change, Yanlord Eco Island as well as its wholly-owned subsidiary, Nanjing Yanlord Jiangdao Real Estate Co., Ltd., became 51%-owned subsidiaries of the Group.

The Group's intention was to acquire the land and vacant properties held by Dongguan Jiayi and the Group did not take control over any management or operational process from the vendors as it intends to develop and sell the properties. The acquisition of Dongguan Jiayi was accounted for as acquisition of assets and were out of scope of SFRS(I) 3 *Business Combinations*. The acquisitions of Hangzhou Renyuan and Yanlord Eco Island during the reporting period were accounted for as acquisition of business under SFRS(I) 3.

Had the business combination during the reporting period been effected as at January 1, 2022, the Group's revenue for 1H 2022 would have been RMB11.350 billion (1H 2021 : RMB13.189 billion), and the profit for the period for 1H 2022 would have been RMB1.658 billion (1H 2021 : RMB1.575 billion).

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition dates:

	GROUP	
	1H 2022 RMB'000	1H 2021 RMB'000
Non-current assets	1,509,390	676
Current assets	23,682,384	7,476,445
Current liabilities	(23,888,967)	(7,184,036)
Net assets at date of acquisition	1,302,807	293,085
Non-controlling interests	(1,167,174)	(194,131)
Net assets acquired	135,633	98,954
Gain on remeasurement of retained interests in joint ventures	(60,117)	(73,954)
Total consideration	75,516	25,000
Cash consideration paid in previous year	(75,000)	-
Cash acquired	(1,297,288)	(283,149)
Net cash inflow arising from acquisition of subsidiaries	(1,296,772)	(258,149)

18. Change of control from a subsidiary to a joint venture

Change of control from a subsidiary to a joint venture in 1H 2021

The Group lost control over Suzhou Renzhuo Real Estate Co., Ltd. ("Suzhou Renzhuo") with effect from January 7, 2021, as a result of the disposal of 92% equity interest in Suzhou Renzhuo. Accordingly, Suzhou Renzhuo ceased to be a subsidiary of the Group and is classified as a 8%-owned joint venture. Consequently, Suzhou Renzhuo was deconsolidated and is equity accounted for in the consolidated financial statements.



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The following summarises the details of the change of control:

	GROUP
	1H 2021
	RMB'000
Non-current assets	9,604
Current assets	8
Current liabilities	(2)
Net assets at date of change of control and derecognised	<u>9,610</u>
Gain on change of control	
Consideration received	9,200
Net asset derecognised	(9,610)
Fair value of retained interest	<u>800</u>
	<u>390</u>
Net cash inflow arising from change of control	
Consideration received	9,200
Cash and cash equivalents derecognised	(8)
	<u>9,192</u>

G. Other information required under Appendix 7.2 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual")

1. Review

The condensed interim statements of financial position of the Group and the Company as at June 30, 2022 and the condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows of the Group, and condensed interim statement of changes in equity of the Company for 1H 2022 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

(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

1H 2022 vs. 1H 2021

Revenue and cost of sales

Revenue of the Group in 1H 2022 decreased by 14.0% or RMB1.850 billion to RMB11.339 billion from RMB13.189 billion in 1H 2021 primarily attributable to the decrease in gross floor area ("GFA") delivered to customers, and partly offset by the increase in average selling price ("ASP") per square metre ("sqm") achieved by the Group in 1H 2022 compared to 1H 2021. The higher ASP per sqm achieved by the Group in 1H 2022 was mainly due to the change in product-mix composition that included higher-priced projects, such as Yanlord Four Seasons New Gardens (仁恒四季新园) in Shenzhen, Riverbay Century Gardens (Phase 1) (江湾世纪花园·一期) in Nanjing and Smriti Curtilage (耦前别墅) in Suzhou, represented 43.1%, 15.5% and 13.2% respectively of the Group's gross revenue from sales of properties in 1H 2022.



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Cost of sales in 1H 2022, which mainly included land, construction and capitalised borrowing costs, decreased to RMB7.306 billion compared to RMB9.669 billion in 1H 2021, mainly attributable to the decrease in GFA delivered to customers in 1H 2022 compared to 1H 2021.

Other contributors to the Group's revenue mainly included rental of investment properties, income from hotel operations as well as provision of property management services and other ancillary services.

The Group's gross profit increased by 14.6% or RMB514 million to RMB4.033 billion in 1H 2022 from RMB3.520 billion in 1H 2021. Gross profit margin increased by 8.9 percentage points to 35.6% in 1H 2022 from 26.7% in 1H 2021 primarily due to the change in the composition of product-mix delivered in 1H 2022.

Other operating income and other gains

Other operating income and other gains mainly included interest income, gain on the remeasurement of retained interests in joint ventures and fair value gain from put liability to acquire non-controlling interest. Other operating income and other gains decreased by 26.7% or RMB109 million to RMB299 million in 1H 2022 from RMB408 million in 1H 2021, mainly due to decrease in interest income as well as gain on the remeasurement of retained interests in joint ventures and the absence of fair value gain from put liability to acquire non-controlling interest in 1H 2022 compared to 1H 2021.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, decreased by 22.9% or RMB62 million to RMB210 million in 1H 2022 compared to RMB272 million in 1H 2021 primarily due to decrease in staff costs and advertising and promotion expenses in 1H 2022 compared to 1H 2021.

Administrative expenses

Administrative expenses mainly included staff costs, entertainment, legal and professional fees, property management fee, depreciation, bank charges and net foreign exchange loss. Excluding net foreign exchange effect recorded for the periods under review, administrative expenses decreased by 9.2% or RMB67 million to RMB658 million in 1H 2022 compared to 1H 2021 primarily as a result of a decrease in staff costs and bank charges. The net foreign exchange loss arose mainly due to conversion of different monetary currencies in ordinary course of business.

Finance cost

Finance cost, net of capitalised interest, decreased by RMB73 million to RMB524 million in 1H 2022 from RMB597 million in 1H 2021 mainly due to an increase in interest capitalised. In accordance with the Group's accounting policy, the finance cost that are directly attributable to the development of the Group's properties would be capitalised. Hence, the finance cost recorded in the statements of profit or loss for a given period may not be reflective of the Group's actual level of borrowings.

Share of (loss) profit of associates

The Group recorded share of loss of associates of RMB9 million in 1H 2022 compared to share of profit of associates of RMB96 million in 1H 2021. Share of profit of associates in 1H 2021 mainly contributed by share of profit of New Tang's Mansion (浅棠平江) in Suzhou.

Share of profit of joint ventures

The share of profit of joint ventures increased by RMB17 million to RMB294 million in 1H 2022 from RMB277 million in 1H 2021 mainly attributable to the share of profit of Cloud Serenity Gardens (云逸都荟花园) and The River Time (江湾时代花园) in Nanjing.



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Profit before income tax

Due to the increase in gross profit as well as the decrease in administrative expenses and finance cost, partly offset by the decrease in other operating income and other gains and share of result of associates reported in 1H 2022, profit before income tax increased by 21.6% or RMB566 million to RMB3.193 billion in 1H 2022 from RMB2.626 billion in 1H 2021. Profit before income tax margin increased by 8.3 percentage points to 28.2% in 1H 2022 compared to 19.9% in 1H 2021, in line with the increase in gross profit margin in 1H 2022.

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, increased by RMB376 million to RMB1.435 billion in 1H 2022 from RMB1.059 billion in 1H 2021, in tandem with the increase in gross profit and profit before income tax.

Profit for the period

Profit for the period increased by 12.1% or RMB190 million to RMB1.757 billion in 1H 2022 from RMB1.567 billion in 1H 2021. The profit margin for the period increased by 3.6 percentage point to 15.5% in 1H 2022 compared to 11.9% in 1H 2021.

(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 assets

Pledged bank deposits

Pledged bank deposits of RMB6 million as at June 30, 2022 pertains to bank deposits pledged for resettlement project.

Current assets

Other receivables and deposits

Other receivables and deposits increased to RMB6.536 billion as at June 30, 2022 from RMB5.455 billion as at December 31, 2021 mainly due to increase in value added tax prepayment.

Non-trade amounts due from non-controlling shareholders of subsidiaries

Non-trade amounts due from non-controlling shareholders of subsidiaries increased to RMB10.675 billion as at June 30, 2022 from RMB8.781 billion as at December 31, 2021 mainly due to distribution of surplus fund and advances to non-controlling shareholders of subsidiaries.

Financial assets at FVTPL

Financial assets at FVTPL of RMB4 million as at June 30, 2022 pertains to investments in fund.

Non-current liabilities

Non-trade amounts due to non-controlling shareholders of subsidiaries

Non-trade amounts due to non-controlling shareholders of subsidiaries increased to RMB494 million as at June 30, 2022 from RMB176 million as at December 31, 2021 was due to a shareholder loan from non-controlling shareholder of a subsidiary.



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Current liabilities

Senior notes

The current amount of RMB2.343 billion senior notes as at June 30, 2022 was transferred from the non-current amount of senior notes as the Group's US\$350 million senior notes issued on April 23, 2018 will mature on April 23, 2023.

Non-trade amounts due to associates

Non-trade amounts due to associates increased by RMB564 million to RMB1.357 billion as at June 30, 2022 from RMB793 million as at December 31, 2021 mainly due to distribution of surplus fund from associates.

Non-trade amounts due to joint ventures

Non-trade amounts due to joint ventures increased by RMB3.455 billion to RMB15.722 billion as at June 30, 2022 from RMB12.267 billion as at December 31, 2021 mainly due to distribution of surplus fund from joint ventures, partly offset by the repayment to joint ventures.

Non-trade amounts due to non-controlling shareholders of subsidiaries

Non-trade amounts due to non-controlling shareholders of subsidiaries decreased by RMB538 million to RMB2.567 billion as at June 30, 2022 from RMB3.105 billion as at December 31, 2021 mainly due to repayment to non-controlling shareholders of subsidiaries.

STATEMENTS OF CASH FLOWS

Net cash (used in) from operating activities

The Group recorded net cash used in operating activities of RMB4.363 billion in 1H 2022 as compared to the net cash from operating activities of RMB4.220 billion in 1H 2021. The net cash outflow in 1H 2022 was mainly due to final payment of land appreciation tax for several projects.

Net drawdown from bank and other borrowings

The Group reported net drawdown from bank and other borrowings of RMB3.341 billion in 1H 2022 as compared to RMB903 million in 1H 2021. The net drawdown in 1H 2022 was in line with the funding needs for project development and operations in 1H 2022.

- 3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

- 4. 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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5. 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

1H 2022 saw a slowdown in the PRC real estate sector with a total investment in residential development decreased by 4.5% to RMB5.180 trillion based on data published by the National Bureau of Statistics on July 15, 2022. On the backdrop of continued credit crisis of Chinese developers and lockdown of various cities due to COVID-19 outbreaks, the primary residential property sales recorded in PRC was RMB5.768 trillion on a total GFA of approximately 581 million sqm for 1H 2022, a decrease of 31.8% and 26.6% respectively, compared to 1H 2021. New start and new completion of residential developments in 1H 2022 also recorded 35.4% and 20.6% decreases in GFA respectively compared to 1H 2021.

Property contracted pre-sales performance of Yanlord has been resilient under the challenging market environment. The total contracted pre-sales of the Group together with its joint ventures and associates from residential and commercial units, and car parks for 1H 2022 was approximately RMB31.394 billion, an increase of 9.5% compared to 1H 2021. The total contracted pre-sales of other property development projects under the Group's project management business bearing the "Yanlord" brand name for 1H 2022 was approximately RMB4.108 billion.

As at June 30, 2022, the Group together with its joint ventures and associates reported an accumulated property contracted pre-sales of RMB108.791 billion, representing a total GFA of approximately 3.0 million sqm, which are pending recognition in the second half of the financial year ending December 31, 2022 ("2H 2022") and beyond.

In line with the resilient pre-sales performance achieved in 1H 2022, the Group together with its joint ventures and associates will continue to launch new projects for pre-sales in accordance with their development schedule. This would include launching of new projects and new batches of existing projects in 2H 2022, namely as below:

- Yangtze River Delta: Suhe Century (晋元华庭), Yanlord Arcadia (仁恒海上源), Poetic Villa (荟雅华庭) and The Oasis Mansion (天悦雅园) in Shanghai; Majestic Mansion (海和院), Riverbay Century Gardens (Phase 2) (江湾世纪花园, 二期) and Yanlord Phoenix Hill (Phase 1) (凤凰山居, 一期) in Nanjing; Lan Virtuoso (桃溪澜园), Yanlord PRELAND (Phase 1 and 2) (仁恒·叙澜庭, 一及二期) and Lantern (Phase 1) (澜庭, 一期) in Suzhou; Hangzhou Bayfront Isle (Phase 3) (前湾, 三期) in Hangzhou; Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园, 二期) and Yanlord The Mansion in Park (星岸家园) in Yancheng; Yanlord Central Lake (Phase 2) (仁恒时代天镜, 二期) in Taicang; Central Lake (星湖雅园), Majestic Mansion (海和清舒院), Wuxi No. 2021-52 XDG-2021-68 Land (清源听澜居) and Tang Song (山棠雅园) in Wuxi; Park In City (江湾茗湖雅园) in Yangzhou;
- Bohai Rim: Star Century (恒美雅苑), Yiwang Gardens (依湾花园) and Yilu Gardens (依璐花园) in Tianjin;
- Greater Bay Area: Yanlord Four Seasons The Park 3 (四季雅园) in Shenzhen; Yanlord The Great Bay (Phase 1) (仁恒滨海湾花园, 一期) in Zhuhai; Four Seasons Park (Phase 1C) (星月万像花苑) in Zhongshan;
- Western China: Stream In Cloud (Phase 3) (溪云居, 三期) in Chengdu;
- Central China: Yanlord Elegant Villa (仁恒西湖山居) in Wuhan; and
- Hainan: Yanlord Gardens (Phase 2) (仁恒滨江园, 二期) in Haikou.

In view of the resilient pre-sales performance, Yanlord, with its high-quality landbank and strong brand recognition, will remain focus on its existing business strategies to support the demand for high-quality residential development in the PRC. In addition, to better mitigate potential volatilities, the Group will strive to maintain its healthy cash position with prudent financial policies to support its sustainable growth and development.



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Barring any significant deterioration in the global economy and any other unforeseen circumstances like policy fine-tunes in specific cities, the Board of Directors of the Company 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.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. These forward-looking statements are based on the Group's current intentions, plans, expectations, assumptions and views about certain future events and are subject to risks, uncertainties and other factors, many of which are not within the Group's control. Actual future performance and outcomes of certain events and results may differ materially from the Group's current intentions, plans, expectations, assumptions and views about the future. Examples of these factors include, inter alia, general industry and economic conditions, interest rate movements, cost of capital and capital availability, changes in operating expenses such as employee wages and benefits, governmental and public policy changes, changes to laws and regulations, acts of god and the prevailing global COVID-19 pandemic. Accordingly, forward-looking statements are not, and should not be construed as a representation as to the future performance of the Group. The past performance of the Group is not indicative of future performance as well.

While the Group has taken reasonable care to ensure the accuracy and completeness of the information provided in this announcement, neither the Group nor any of its affiliates, advisers or representatives shall be liable (in negligence or otherwise) for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information contained in this announcement.

Shareholders, investors and potential investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Group on future events. Shareholders, investors and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

6. **If a decision regarding dividend has been made, (a) whether an interim (final) ordinary dividend has been declared/recommended; (b)(i) amount per share (cents) and (ii) previous corresponding period (cents); (c) whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated); (d) the date the dividend is payable; and (e) the date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

7. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for the reporting period under review as the Group generally declares or recommends dividend on an annual basis.

8. **Interested person transactions**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.



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9. Undertakings under Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) required under Rule 720(1) of the Listing Manual.

Confirmation by the Board

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

We, Zhong Sheng Jian and Zhong Ming, 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 condensed interim financial statements for 1H 2022 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer

Zhong Ming
Executive Director

August 11, 2022