



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED HALF YEAR ENDED 30 JUNE 2020 FINANCIAL STATEMENTS ANNOUNCEMENT

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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR AND FULL YEAR RESULTS

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

Unaudited Consolidated Statements of Profit or Loss for the Period Ended 30 June 2020

	1H 2020	1H 2019	% Change
	RMB'000	RMB'000	+ / (-)
Revenue	9,117,082	7,711,904	18
Cost of sales	(5,841,847)	(4,127,393)	42
Gross profit	3,275,235	3,584,511	(9)
Other operating income and other gains	289,661	385,738	(25)
Fair value gain on investment properties	308,106	791,018	(61)
Selling expenses	(219,586)	(180,372)	22
Administrative expenses	(603,841)	(512,991)	18
Other operating expenses	(13,605)	(2,963)	359
Finance cost	(883,440)	(498,789)	77
Share of loss of associates	(2,512)	(6,428)	(61)
Share of profit (loss) of joint ventures	92,149	(31,944)	NM
Profit before income tax	2,242,167	3,527,780	(36)
Income tax	(1,229,560)	(1,570,843)	(22)
Profit for the period	1,012,607	1,956,937	(48)
Profit attributable to:			
Owners of the Company	492,866	1,188,376	(59)
Non-controlling interests	519,741	768,561	(32)
	1,012,607	1,956,937	(48)

NM: Not meaningful



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

	1H 2020	1H 2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Allowance for doubtful debts and bad debts (written-back)		
written-off	(4)	10
Depreciation expense	168,844	81,492
Dividend income from financial assets at fair value through		
other comprehensive income	(4,066)	-
Fair value gain on investment properties	(308,106)	(791,018)
Fair value gain on financial asset at fair value through profit or		
loss	(108)	(143)
Finance cost	883,440	498,789
Interest income	(244,983)	(357,670)
Loss on remeasurement of retained interest in a joint venture	6,085	-
Net (gain) loss on disposal of property, plant and equipment	(200)	304
Net gain on disposal of investment properties	(479)	(1,238)
Net foreign exchange loss	9,080	34,257
Adjustments for under provision of tax in respect of prior years	23,182	18,827

Revenue and cost of sales

Revenue of the Group in 1H 2020 grew by 18.2% or RMB1.405 billion to RMB9.117 billion from RMB7.712 billion in 1H 2019 primarily attributable to the increase in gross floor area ("GFA") delivered to customers, which partly offset by the decrease in average selling price ("ASP") per square metre ("sqm") achieved by the Group in current reporting period compared to 1H 2019. The decrease in ASP achieved by the Group in 1H 2020 was mainly due to the change in the composition of product-mix delivered in the current reporting period.

Cost of sales in 1H 2020, which mainly comprised of land, construction and capitalised borrowing costs, increased to RMB5.842 billion compared to RMB4.127 billion in 1H 2019, mainly attributable to the increase in GFA delivered to customers in 1H 2020 compared to the corresponding period in 2019.

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.



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Other operating income and other gains

Other operating income and other gains mainly included interest income. Other operating income and other gains decreased by 24.9% or RMB96 million to RMB290 million in 1H 2020 from RMB386 million in 1H 2019. This is mainly due to the decrease in interest income generated from non-trade amounts due from associates, joint ventures and non-controlling shareholders of subsidiaries.

Fair value gain on investment properties

Fair value gain on investment properties decreased by RMB483 million to RMB308 million in 1H 2020 from RMB791 million in 1H 2019. The fair value gain of RMB308 million recognised in 1H 2020 was attributable to the transfer of retail portion of Yanlord Reverie Apartments (仁恒梦公寓) in Shenzhen to investment property. In 1H 2019, the fair value gain of RMB791 million was mainly attributable to the revaluation of the Group's investment properties namely, Smriti Curtilage (耦前别墅) in Suzhou and Yanlord Riverside Plaza (Phase 1) (仁恒海河广场一期) in Tianjin.

Selling expenses

Selling expenses, which mainly comprised of staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by 21.7% or RMB39 million to RMB220 million in 1H 2020 compared to RMB180 million in 1H 2019 primarily due to increase in staff cost and intermediary agency fee as a result of the increase in sales of properties in current reporting period compared to the corresponding period in 2019.

Administrative expenses

Administrative expenses mainly comprised of staff costs, utilities, legal and professional fees, property management fee, depreciation, bank charges and net foreign exchange loss, increased by 17.7% or RMB91 million to RMB604 million in 1H 2020 over the same reporting period in 2019 mainly due to consolidation of expenses of United Engineers Limited ("UEL") group in which the Group gained a controlling interest in November 2019.



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Other operating expenses

Other operating expenses increased by RMB11 million to RMB14 million in 1H 2020 compared to RMB3 million in 1H 2019 primarily due to loss on remeasurement of retained interest in a joint venture arising from change of control from a joint venture to a subsidiary in current reporting period.

Finance cost

Finance cost, net of capitalised interest, increased by RMB385 million to RMB883 million in 1H 2020 from RMB499 million in 1H 2019 mainly due to an increase in interest expenses incurred for the Group's completed properties and for financing of investments in joint ventures and subsidiaries. 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 profit (loss) of joint ventures

The Group recorded share of profit of joint ventures of RMB92 million in 1H 2020 compared to share of loss of joint ventures of RMB32 million in 1H 2019. Share of profit of joint ventures in 1H 2020 mainly resulted from the increase in share of profit of Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛).

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased by RMB341 million to RMB1.230 billion in 1H 2020 from RMB1.571 billion in 1H 2019, in line with the decrease in profit before income tax in the current reporting period over the same reporting period in 2019.



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

Statements of Financial Position as at 30 June 2020

	GROUP		COMPANY	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	3,830,620	3,930,211	-	-
Investment properties	29,076,379	27,942,862	-	-
Right-of-use assets	310,670	352,879	-	-
Properties for development	8,449,642	10,240,138	-	-
Investments in subsidiaries	-	-	13,754,807	13,974,340
Investments in associates	2,184,259	2,201,546	-	-
Investments in joint ventures	6,995,241	6,631,382	-	-
Other receivables and deposits	2,541,869	2,373,652	-	-
Non-trade amounts due from:				
Associates	1,014,164	875,773	-	-
Joint ventures	3,113,710	3,857,552	-	-
Non-controlling shareholders of subsidiaries	1,130,207	1,036,527	-	-
Financial assets at fair value through other comprehensive income	288,808	320,258	-	-
Intangible assets	812	812	-	-
Deferred tax assets	609,109	596,801	-	-
Pledged bank deposits	282,327	-	-	-
Total non-current assets	59,827,817	60,360,393	13,754,807	13,974,340
Current assets				
Inventories	203,844	211,836	-	-
Completed properties for sale	10,637,877	7,495,094	-	-
Properties under development for sale	25,303,320	25,484,907	-	-
Trade receivables	377,577	347,385	-	-
Other receivables and deposits	5,135,018	3,762,369	299	306
Non-trade amounts due from:				
Subsidiaries	-	-	4,230,078	4,460,106
Associates	855,053	1,436,013	-	-
Joint ventures	13,369,835	10,583,186	-	-



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	GROUP		COMPANY	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-controlling shareholders of subsidiaries	6,205,870	5,363,938	-	-
Other related parties	4,822	806	-	-
Income tax prepayment	667,065	562,235	-	-
Financial asset at fair value through profit or loss	9,708	-	-	-
Pledged bank deposits	354,058	469,558	-	-
Cash and cash equivalents	14,664,619	13,817,589	1,839	1,584
Total current assets	77,788,666	69,534,916	4,232,216	4,461,996
Total assets	137,616,483	129,895,309	17,987,023	18,436,336

EQUITY AND LIABILITIES

Capital, reserves and non-controlling interests

Share capital	7,261,726	7,261,726	7,261,726	7,261,726
Reserves	20,855,131	20,985,064	408,749	439,004
Equity attributable to owners of the Company	28,116,857	28,246,790	7,670,475	7,700,730
Non-controlling interests	10,350,540	11,660,464	-	-
Total equity	38,467,397	39,907,254	7,670,475	7,700,730

Non-current liabilities

Bank and other borrowings				
– due after one year	23,686,532	22,083,133	-	-
Senior notes	8,434,673	9,080,931	-	-
Lease liabilities	274,185	326,895	-	-
Deferred tax liabilities	4,331,885	4,212,852	-	-
Other payables	433,876	446,072	-	-
Non-trade amount due to:				
Joint venture	200,000	200,000	-	-
Deferred income	476,957	478,858	-	-
Total non-current liabilities	37,838,108	36,828,741	-	-



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	GROUP		COMPANY	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current liabilities				
Bank and other borrowings				
– due within one year	16,130,032	14,477,599	-	-
Senior notes	231,199	-	-	-
Lease liabilities	49,556	34,218	-	-
Trade payables	8,675,525	8,547,545	-	-
Other payables	7,745,992	6,607,418	667,899	3,051
Contract liabilities	13,607,139	11,889,420	-	-
Non-trade amounts due to:				
Subsidiaries	-	-	9,539,687	10,623,066
Associates	1,120,028	665,085	-	-
Joint ventures	5,007,405	3,277,093	-	-
Directors	108,962	109,489	108,962	109,489
Non-controlling shareholders of subsidiaries	1,772,842	485,895	-	-
Other related parties	15,126	8,504	-	-
Income tax payable	5,694,402	5,904,278	-	-
Put liability to acquire non-controlling interests	1,152,770	1,152,770	-	-
Total current liabilities	61,310,978	53,159,314	10,316,548	10,735,606
Total equity and liabilities	137,616,483	129,895,309	17,987,023	18,436,336



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

	GROUP	
	As at 30.06.2020	As at 31.12.2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Amount repayable in one year or less, or on demand:-		
Secured	6,965,620	4,600,836
Unsecured	9,524,374	10,005,526
Sub-total 1	16,489,994	14,606,362
Amount repayable after one year:-		
Secured	18,947,295	17,451,951
Unsecured	13,173,910	13,712,113
Sub-total 2	32,121,205	31,164,064
Total debt	48,611,199	45,770,426

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, completed properties for sale and pledged bank deposits.

On 11 August 2020, Yanlord Land (HK) Co., Limited, a wholly-owned subsidiary, signed a 3.5-year US\$1.1 billion syndicated loan facility for the general corporate purposes of the Group, including but not limited to repayment of RMB6.086 billion of unsecured borrowings which is due within one year.



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

Unaudited Consolidated Statements of Cash Flows for the Period Ended 30 June 2020

	1H 2020	1H 2019
	RMB'000	RMB'000
Operating activities		
Profit before income tax	2,242,167	3,527,780
Adjustments for:		
Allowance for doubtful debts and bad debts (written-back)		
written-off	(4)	10
Depreciation expense	168,844	81,492
Dividend income from financial assets at fair value through		
other comprehensive income	(4,066)	-
Fair value gain on investment properties	(308,106)	(791,018)
Fair value gain on financial asset at fair value through profit or		
loss	(108)	(143)
Finance cost	883,440	498,789
Interest income	(244,983)	(357,670)
Loss on remeasurement of retained interest in a joint venture	6,085	-
Net (gain) loss on disposal of property, plant and equipment	(200)	304
Net gain on disposal of investment properties	(479)	(1,238)
Payable written off	-	(6,523)
Share of loss of associates	2,512	6,428
Share of (profit) loss of joint ventures	(92,149)	31,944
Gain on change of control from subsidiaries to joint ventures	-	(266)
Gain on disposal of a subsidiary	(17,545)	(51)
Operating cash flows before movements in working capital	2,635,408	2,989,838
Properties for development	(1,942,600)	(1,878,670)
Inventories	3,097	593
Completed properties for sale	2,100,475	1,610,730
Properties under development for sale	(1,599,509)	(73,958)
Trade and other receivables and deposits	(1,837,191)	(1,104,738)
Trade and other payables	157,828	3,253,903
Contract liabilities	(1,065,402)	(1,303)



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	1H 2020	1H 2019
	RMB'000	RMB'000
Cash generated from operations	(1,547,894)	4,796,395
Interest paid	(1,305,912)	(1,115,466)
Income tax paid	(1,278,925)	(1,498,006)
Net cash (used in) from operating activities	(4,132,731)	2,182,923
Investing activities		
Acquisition of a subsidiary	-	(40,000)
Cash acquired from acquisition of a subsidiary	582,792	-
Change of control from subsidiaries to joint ventures	-	(20,995)
Investment in an associate	-	(150,000)
Investments in joint ventures	(172,597)	(562,858)
Dividend received from financial assets at fair value through other comprehensive income	4,066	-
Dividend received from associates	1,833	-
Interest received	130,329	368,246
Increase in pledged bank deposits	(166,827)	(405,683)
Proceeds on disposal of property, plant and equipment	2,565	253
Proceeds on disposal of investment properties	952	2,381
Proceeds on disposal of financial asset at fair value through profit or loss	1,600	2,000
Payment for property, plant and equipment	(30,006)	(52,735)
Payment for investment properties	(349,049)	(10,148)
Purchase of financial assets at fair value through other comprehensive income	(3,368)	-
Purchase of financial asset at fair value through profit or loss	(11,200)	(13,600)
Advance to associates	(134,246)	(363,170)
Repayment from associates	449,787	270,418
Advance to joint ventures	(2,517,744)	(2,171,745)
Repayment from joint ventures	4,621,554	4,246,596
Advance to non-controlling shareholders of subsidiaries	(845,471)	(2,369,344)
Advance to other related party	(4,000)	-
Net cash from (used in) investing activities	1,560,970	(1,270,384)



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	1H 2020 RMB'000	1H 2019 RMB'000
Financing activities		
Dividends paid	-	(652,033)
Dividends paid to non-controlling shareholders of subsidiaries	(218,514)	(4,401)
Proceeds from bank and other borrowings	8,155,985	10,714,405
Repayment of bank and other borrowings	(5,243,528)	(5,079,737)
Repayment of lease liabilities	(34,524)	(12,163)
Redemption of senior notes	(527,671)	-
Advance from associates	286,835	362,685
Advance from joint ventures	884,986	582,374
Repayment to directors	(1,633)	(981)
Advance from non-controlling shareholders of subsidiaries	803,496	3,311
Repayment to non-controlling shareholders of subsidiaries	(228,699)	(230,250)
Advance from (Repayment to) other related parties	6,622	(8,498)
Capital injection from non-controlling shareholders of subsidiaries	420,198	-
Capital withdrawal by a non-controlling shareholder of subsidiary	(13,920)	(34,000)
Acquisition of non-controlling interest in a subsidiary	(809,106)	-
Cash (outflow) inflow from disposal of subsidiaries	(24,892)	7,963
Net cash from financing activities	3,455,635	5,648,675
Net increase in cash and cash equivalents	883,874	6,561,214
Cash and cash equivalents at beginning of period	13,817,589	10,317,374
Effect of exchange rate changes on the balances of cash held in foreign currencies	(36,844)	61,377
Cash and cash equivalents at end of period	14,664,619	16,939,965



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

Unaudited Group Statements of Comprehensive Income for the Period Ended 30 June 2020

	GROUP		COMPANY	
	1H 2020	1H 2019	1H 2020	1H 2019
	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	1,012,607	1,956,937	750,524	658,810
Other comprehensive (expense) income:				
<u>Item that will not be reclassified subsequently to</u>				
<u>profit or loss:</u>				
Currency translation difference	(611,830)	481,393	-	-
Share of other comprehensive expense of a joint venture	-	(31)	-	-
Change in fair value of financial assets at fair value through other comprehensive income	(32,340)	-	-	-
<u>Items that may be reclassified subsequently to</u>				
<u>profit or loss:</u>				
Currency translation difference	222,051	(526,697)	(120,064)	103,498
Share of other comprehensive income of a joint venture	-	1,857	-	-
Share of other comprehensive income of associates	2,688	-	-	-
Other comprehensive (expense) income for the period, net of tax	(419,431)	(43,478)	(120,064)	103,498
Total comprehensive income for the period	593,176	1,913,459	630,460	762,308
Total comprehensive income attributable to:				
Owners of the Company	101,041	1,144,898	630,460	762,308
Non-controlling interests	492,135	768,561	-	-
	593,176	1,913,459	630,460	762,308



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1(e)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2020

	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2020	7,261,726	(132,309)	(1,081,360)	2,212,391	(1,834,019)	(2,790,122)	24,610,483	28,246,790	11,660,464	39,907,254
Total comprehensive income for the period:										
Profit for the period	-	-	-	-	-	-	492,866	492,866	519,741	1,012,607
Other comprehensive expense for the period	-	-	(362,173)	-	-	(29,652)	-	(391,825)	(27,606)	(419,431)
Total	-	-	(362,173)	-	-	(29,652)	492,866	101,041	492,135	593,176
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	32,434	-	397,221	-	429,655	(1,927,942)	(1,498,287)
Disposal of a subsidiary	-	-	-	(25,901)	-	-	25,901	-	(61,881)	(61,881)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	420,198	420,198
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(13,920)	(13,920)
Dividends	-	-	-	-	-	-	(660,715)	(660,715)	-	(660,715)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(218,514)	(218,514)
Share of share option reserve from associates	-	-	-	-	-	86	-	86	-	86



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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Appropriations	-	-	-	140,687	-	-	(140,687)	-	-	-
Total	-	-	-	147,220	-	397,307	(775,501)	(230,974)	(1,802,059)	(2,033,033)
Balance at 30 June 2020	7,261,726	(132,309)	(1,443,533)	2,359,611	(1,834,019)	(2,422,467)	24,327,848	28,116,857	10,350,540	38,467,397

Unaudited Group Statements of Changes in Equity for the Period Ended 30 June 2019

	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2019 as previously reported	7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,097,644	25,030,104	7,848,514	32,878,618
Effect of adoption of SFRS(I) 16	-	-	-	-	-	-	(3,376)	(3,376)	(426)	(3,802)
Balance at 1 January 2019 as restated	7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,094,268	25,026,728	7,848,088	32,874,816

Total comprehensive income for the period:

Profit for the period	-	-	-	-	-	-	1,188,376	1,188,376	768,561	1,956,937
Other comprehensive expense for the period	-	-	(45,304)	-	-	1,857	(31)	(43,478)	-	(43,478)
Total	-	-	(45,304)	-	-	1,857	1,188,345	1,144,898	768,561	1,913,459



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	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	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Transactions with owners, recognised directly in equity:										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(50)	(50)
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(34,000)	(34,000)
Dividends	-	-	-	-	-	-	(652,033)	(652,033)	-	(652,033)
Dividend declared to a non-controlling shareholder	-	-	-	-	-	-	-	-	(4,401)	(4,401)
Share of other reserves of joint venture	-	-	-	-	-	(1,142)	-	(1,142)	-	(1,142)
Utilisation of statutory reserve	-	-	-	(229)	-	-	-	(229)	(227)	(456)
Appropriations	-	-	-	7,379	-	-	(7,379)	-	-	-
Total	-	-	-	7,150	-	(1,142)	(659,412)	(653,404)	(38,678)	(692,082)
Balance at 30 June 2019	7,261,726	(132,309)	(990,991)	2,018,270	(1,834,019)	(3,427,656)	22,623,201	25,518,222	8,577,971	34,096,193



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Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2020

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
Balance at 1 January 2020	7,261,726	(132,309)	286,387	284,926	7,700,730
Total comprehensive income for the period:					
Profit for the period	-	-	-	750,524	750,524
Other comprehensive expense for the period	-	-	(120,064)	-	(120,064)
Total	-	-	(120,064)	750,524	630,460
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(660,715)	(660,715)
Balance at 30 June 2020	7,261,726	(132,309)	166,323	374,735	7,670,475

Unaudited Company Statements of Changes in Equity for the Period Ended 30 June 2019

	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
Balance at 1 January 2019	7,261,726	(132,309)	60,987	336,069	7,526,473
Total comprehensive income for the period:					
Profit for the period	-	-	-	658,810	658,810
Other comprehensive income for the period	-	-	103,498	-	103,498
Total	-	-	103,498	658,810	762,308
Dividends, representing total transaction with owners, recognised directly in equity	-	-	-	(652,033)	(652,033)
Balance at 30 June 2019	7,261,726	(132,309)	164,485	342,846	7,636,748



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1(e)(ii) Details of any changes in the Company's share capital 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 the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

	Number of ordinary shares (including treasury shares)	Share capital (net of expenses) RMB'000
As at 1 January 2020 and 30 June 2020	1,948,736,476	7,261,726

Treasury Shares

During the period from 1 January 2020 to 30 June 2020, the Company did not repurchase any of its ordinary shares (1 January 2019 to 30 June 2019: Nil). Treasury shares are presented as a component within equity attributable to owners of the Company.

The number of ordinary shares held as treasury shares against the total number of issued ordinary shares excluding treasury shares of the Company, as at 30 June 2020 and as at 30 June 2019 were as follows:

	Number of treasury shares	RMB'000
As at 30 June 2019	17,201,100	132,309



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	Number of treasury shares	RMB'000
As at 30 June 2020	17,201,100	132,309
	Percentage of aggregate number of treasury shares held against the total number of ordinary shares (excluding treasury shares)	number of ordinary shares (excluding treasury shares)
As at 30 June 2019	1,931,535,376	0.9%
As at 30 June 2020	1,931,535,376	0.9%

Subsidiary Holdings

There was no subsidiary holdings as at 30 June 2020 and 30 June 2019.

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.

	30.06.2020	31.12.2019
Total number of issued ordinary shares	1,948,736,476	1,948,736,476
Total number of treasury shares	(17,201,100)	(17,201,100)
Total number of issued ordinary shares (excluding treasury shares)	1,931,535,376	1,931,535,376

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

Not applicable.

1(e)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.



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2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures for the half year ended 30 June 2020 have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter)

Not applicable.

3A. 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. 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 reporting period as those of the audited financial statements for the financial year ended 31 December 2019, as well as all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") which effective for the financial year beginning on or after 1 January 2020.

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 above and the audited financial statements for the financial year ended 31 December 2019 for more information.



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

	GROUP	
	1H 2020	1H 2019
	(Unaudited)	(Unaudited)
EPS based on Group's profit attributable to owners of the Company:		
(i) On the weighted average number of shares (RMB)	25.52 cents	61.52 cents
- Weighted average number of shares	1,931,535,376	1,931,535,376
(ii) On a fully diluted basis (RMB)	25.52 cents	61.52 cents
- Adjusted weighted average number of shares	1,931,535,376	1,931,535,376

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

- (i) current financial period reported on; and
- (ii) immediately preceding financial year

	GROUP		COMPANY	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net asset value per share based on issued share capital at the end of the period / year (RMB)	14.56	14.62	3.97	3.99



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8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

1H 2020 vs. 1H 2019

Driven by the increase in GFA delivered in 1H 2020 as mentioned in Note 1(a) above, revenue of the Group rose 18.2% or RMB1.405 billion to RMB9.117 billion in 1H 2020 compared to RMB7.712 billion in 1H 2019. Revenue generated from new projects namely, Yanlord Marina Peninsula Gardens (Phase 3) (仁恒滨海半岛花园三期) in Zhuhai, Yanlord Majestic Mansion (仁恒海和院) in Tianjin and Yanlord Reverie Apartments (仁恒梦公寓) in Shenzhen, represented 28.0%, 17.8% and 16.2% respectively of the Group's gross revenue from sales of properties in 1H 2020.

The Group's gross profit decreased by 8.6% or RMB309 million to RMB3.275 billion in 1H 2020 from RMB3.585 billion in 1H 2019 as a result of lower ASP per sqm achieved in 1H 2020 over the same reporting period in 2019. Gross profit margin decreased by 10.6 percentage points to 35.9% in 1H 2020 from 46.5% in 1H 2019 primarily due to the change in the composition of product-mix delivered in the current reporting period.

Due to the decrease in gross profit and fair value gain on investment property as well as the increase in finance cost reported in 1H 2020, profit before income tax decreased by 36.4% or RMB1.286 billion to RMB2.242 billion in 1H 2020 from RMB3.528 billion in 1H 2019. Hence, profit before income tax margin decreased by 21.1 percentage points to 24.6% in 1H 2020 compared to 45.7% in 1H 2019.

Consequently, profit for the period decreased by 48.3% or RMB944 million to RMB1.013 billion in 1H 2020 from RMB1.957 billion in 1H 2019, while profit for the period margin decreased by 14.3 percentage points to 11.1% in 1H 2020 from 25.4% in 1H 2019.



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

STATEMENTS OF FINANCIAL POSITION

Non-current assets

Pledged bank deposits

Pledged bank deposits of RMB282 million as at 30 June 2020 pertains to bank deposits pledged for performance guarantee for resettlement projects.

Current assets

Other receivables and deposits

Other receivables and deposits increased to RMB5.135 billion as at 30 June 2020 from RMB3.762 billion as at 31 December 2019. The increase was primarily due to an increase in deposit for public land auction.

Non-trade amount due from associates

Non-trade amount due from associates decreased to RMB855 million as at 30 June 2020 from RMB1.436 billion as at 31 December 2019 mainly due to disposal of a subsidiary which assets were no longer consolidated.

Non-trade amount due from joint ventures

Non-trade amount due from joint ventures increased to RMB13.370 billion as at 30 June 2020 from RMB10.583 billion as at 31 December 2019 mainly due to shareholder's loans to joint ventures in Shanghai, partly offset by repayment from joint ventures.

Financial asset at fair value through profit or loss

Financial asset at fair value through profit or loss of RMB10 million as at 30 June 2020 pertains to investment in fund.



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Non-current liabilities

Senior notes

Senior notes decreased by RMB646 million to RMB8.435 billion as at 30 June 2020 compared to RMB9.081 billion as at 31 December 2019 mainly due to early redemption of S\$105 million senior notes and transfer of senior notes which is repayable within one year to current liabilities.

Current liabilities

Senior notes

Senior notes of RMB231 million as at 30 June 2020 represents the senior notes which are repayable within one year.

Other payables

Other payables increased by RMB1.139 billion to RMB7.746 billion as at 30 June 2020 from RMB6.607 billion as at 31 December 2019 mainly due to dividend payable to shareholders and advance received from potential partner.

Non-trade amount due to associates

Non-trade amount due to associates increased by RMB455 million to RMB1.120 billion as at 30 June 2020 from RMB665 million as at 31 December 2019 mainly due to distribution of surplus fund from associate and advance received from associates.

Non-trade amount due to joint ventures

Non-trade amount due to joint ventures increased by RMB1.730 billion to RMB5.007 billion as at 30 June 2020 from RMB3.277 billion as at 31 December 2019 mainly due to distribution of surplus fund from joint ventures.

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

Non-trade amount due to non-controlling shareholders of subsidiaries increased by RMB1.287 billion to RMB1.773 billion as at 30 June 2020 from RMB486 million as at 31 December 2019 mainly due to the fund received from non-controlling shareholders for financing the subsidiaries.



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STATEMENTS OF CASH FLOWS

Net cash (used in) from operating activities

The Group recorded net cash used in operating activities of RMB4.133 billion in 1H 2020 compared to net cash from operating activities of RMB2.183 billion in 1H 2019. The net cash outflow in current reporting period was mainly due to landbank payments partly offset by an increase in advances received from customers over the same reporting period in 2019.

Net drawdown from bank and other borrowings

Net drawdown from bank and other borrowings decreased by RMB2.722 million to RMB2.912 billion in 1H 2020 from RMB5.635 billion in 1H 2019 in line with the Group's funding requirements for investments and developments in current reporting period, such as investments in joint ventures, deposit payments for new potential projects, construction cost payments and payment for acquiring remaining interest of UEL.

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

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

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

The outbreak of the pandemic has resulted in the lockdown of cities and closure of borders, which inevitably impacted the performance and outlook of global economies in the near term. Nevertheless, in the People's Republic of China ("PRC"), where the Group's main operations are located, we are seeing progress made in resuming business activities across the country, with the introduction of a series of monetary and fiscal policies to stimulate the economy while containing the spread of COVID-19.

All of our offices and sales centres in the PRC have resumed works progressively from late February 2020. As at 31 March 2020, over 95% of our 71 construction sites located in the PRC had resumed construction. By April 2020, all of our construction sites in the PRC had resumed works. We expect



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around 70% of our construction sites will be able to catch up on their original construction schedule with balance 30% experiencing delays of 1 to 2 months from the original construction schedule.

For investment properties in the PRC, to support our tenants in sustaining their operations during the lockdown period (February and March 2020), we offered rental concession for some of our tenants in the retail properties in the PRC. In second quarter of 2020, we saw a strong resumption of economic activities in the PRC. Meanwhile, occupancy rate of the serviced apartments and hotels in the PRC picked up gradually.

For investment properties in Singapore, we are closely communicating with tenants to provide support and roll out relief measures, as necessary. We will review the situation on an individual basis, considering factors that include the impact of COVID-19 on the tenants, available government assistance, amongst others. We aim to help tenants cope with their immediate cashflow constraints.

In 1H 2020, the PRC real estate sector recovered stably with total investment in residential development rising 2.6% to RMB4.63 trillion based on data compiled by the National Bureau of Statistics on 16 July 2020. Buoyed by resilient demand for residential properties, primary commodity housing prices in the top 70 cities rose approximately 4.9% year on year in June 2020.

As at 30 June 2020, the Group together with its joint ventures and associates recorded an accumulated contracted pre-sale of RMB75.779 billion, representing a total GFA of approximately 2.4 million sqm, which are pending recognition in 2H 2020 and beyond.

In line with the stable recovery of the PRC real estate industry, the Group together with its joint ventures and associates will continue to launch new projects for pre-sales in accordance with its development schedule. This would include launching of new projects and new batches of existing projects in 2H 2020, namely as below:

- Yangtze River Delta: Shanghai Chongming District Chen Jia Zhen No. 3 Land (上海崇明区陈家镇3号地块), Shanghai Curtilage (海和院) and Jingan Century (璟安悦庭) in Shanghai; The Park Mansion (公园世纪苑), Riverbay Century Gardens (Phase 1 and 2) (江湾世纪花园一期及二期), Yanlord Hub City (城市星徽名苑) and The River Time (江湾时代花园) in Nanjing; Canal Times (运河时代花园), Yanlord La Viva Riverbay (滨河四季云庭), Yanlord Seacoast Royale (海河云庭) and Smriti Curtilage (耦前别墅) in Suzhou; The Corals (珊瑚世纪雅园) and Hangzhou Bay (前湾江上湾) in Hangzhou; Taicang Land Parcel (Phase 1) (太仓市天镜湖未来科技谷项目一期) in Taicang; and Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园一期) in Yancheng;



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- Greater Bay Area: Yanlord Reverie Park (仁恒芯梦公园) and Yanlord Century Mansion (仁恒世纪大厦) in Shenzhen;
- Bohai Rim: Yanlord Majestic Mansion (仁恒海和院) in Tianjin;
- Western China: Stream In Cloud (溪云居) and Orchard Villa (Phase 6) (锦绣尚郡六期) in Chengdu;
- Central China: Yanlord on the Park (仁恒·公园世纪) in Wuhan; and
- Hainan: Yanlord Gardens (仁恒滨江园) in Haikou

In view of the positive rebound on the sector and healthy demand from home upgraders in the PRC, Yanlord, with its high-quality landbank and strong brand recognition, is well poised to tap the continued demand growth for quality residential developments in the PRC. In addition, to better mitigate against potential volatilities, the Group will continue to maintain its healthy cash position and prudent financial policies to support the sustainable growth and development of the Group.

Barring any significant deterioration in the global economy and any other unforeseen circumstances like policy fine-tunes in specific cities, 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 and the reason(s) for the decision

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



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

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

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 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 unaudited half year financial results of the Group for the period ended 30 June 2020 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer

Zhong Ming
Director

15. Undertakings under Rule 720(1)

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

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer
12 August 2020