



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

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# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## A. Condensed Interim Consolidated Statement of Profit or Loss

	Note	GROUP		
		1H 2021 RMB'000	1H 2020 RMB'000	Change % +/(-)
<b>Revenue</b>	7	13,189,007	9,117,082	45
<b>Cost of sales</b>		(9,669,465)	(5,841,847)	66
<b>Gross profit</b>		3,519,542	3,275,235	7
Other operating income and other gains		408,320	289,661	41
Fair value gain on investment property		-	308,106	NM
Selling expenses		(272,387)	(219,586)	24
Administrative expenses		(782,444)	(603,841)	30
Other operating expenses		(23,034)	(13,605)	69
Finance cost		(596,615)	(883,440)	(32)
Share of profit (loss) of associates		95,774	(2,512)	NM
Share of profit of joint ventures		277,245	92,149	201
<b>Profit before income tax</b>		2,626,401	2,242,167	17
Income tax		(1,059,035)	(1,229,560)	(14)
<b>Profit for the period</b>	8	1,567,366	1,012,607	55
<b>Profit attributable to:</b>				
Owners of the Company		823,394	492,866	67
Non-controlling interests		743,972	519,741	43
		1,567,366	1,012,607	55
<b>Earnings per share (Renminbi cents)</b>	9			
- Basic		42.63	25.52	67
- Diluted		42.63	25.52	67

NM: Not meaningful

See accompanying notes to condensed interim financial statements.



# YANLORD LAND GROUP LIMITED

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## B. Condensed Interim Consolidated Statement of Comprehensive Income

	GROUP	
	1H 2021	1H 2020
	RMB'000	RMB'000
<b>Profit for the period</b>	1,567,366	1,012,607
<b>Other comprehensive expense:</b>		
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Currency translation difference	(683,165)	(611,830)
Change in fair value of financial assets at fair value through other comprehensive income	13,704	(32,340)
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Currency translation difference	649,869	222,051
Share of other comprehensive income of associates	5,160	2,688
Share of other comprehensive expense of a joint venture	(196)	-
<b>Other comprehensive expense for the period, net of tax</b>	<u>(14,628)</u>	<u>(419,431)</u>
<b>Total comprehensive income for the period</b>	<u>1,552,738</u>	<u>593,176</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	799,015	101,041
Non-controlling interests	753,723	492,135
	<u>1,552,738</u>	<u>593,176</u>



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## C. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		3,693,643	3,812,972	-	-
Investment properties	10	30,088,232	30,089,567	-	-
Right-of-use assets		243,375	259,078	-	-
Properties for development	11	9,024,799	7,321,261	-	-
Investments in subsidiaries		-	-	13,000,651	13,349,035
Investments in associates		2,243,394	2,154,048	-	-
Investments in joint ventures		8,616,579	8,338,863	-	-
Other receivables and deposits		2,174,767	2,656,144	-	-
Non-trade amounts due from:				-	-
Associates		979,624	994,547	-	-
Joint ventures		2,336,807	2,781,997	-	-
Non-controlling shareholders of subsidiaries		767,977	767,977	-	-
Financial assets at fair value through other comprehensive income		381,162	383,076	-	-
Intangible asset		812	812	-	-
Deferred tax assets		561,272	640,577	-	-
Pledged bank deposits		91,531	91,259	-	-
<b>Total non-current assets</b>		<b>61,203,974</b>	<b>60,292,178</b>	<b>13,000,651</b>	<b>13,349,035</b>
<b>Current assets</b>					
Inventories		179,102	185,111	-	-
Completed properties for sale	11	8,022,997	9,689,284	-	-
Properties under development for sale	11	38,161,031	34,918,072	-	-
Trade receivables		460,986	349,649	-	-
Other receivables and deposits		4,772,176	4,593,715	3	2
Non-trade amounts due from:					
Subsidiaries		-	-	5,579,129	5,698,312
Associates		1,679,179	1,650,210	-	-
Joint ventures		9,773,492	10,700,082	-	-



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	<u>Note</u>	GROUP		COMPANY	
		30.06.2021 RMB'000	31.12.2020 RMB'000	30.06.2021 RMB'000	31.12.2020 RMB'000
Non-controlling shareholders of					
subsidiaries		7,396,160	6,177,506	-	-
Other related parties		4,750	4,757	-	-
Income tax prepayment		1,342,169	677,145	-	-
Financial assets at fair value through					
profit or loss		306,732	-	-	-
Pledged bank deposits		22,561	122,214	-	-
Cash and cash equivalents		22,694,811	17,199,902	5,585	1,114
<b>Total current assets</b>		<b>94,816,146</b>	<b>86,267,647</b>	<b>5,584,717</b>	<b>5,699,428</b>
<b>Total assets</b>		<b>156,020,120</b>	<b>146,559,825</b>	<b>18,585,368</b>	<b>19,048,463</b>
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Capital, reserves and non-controlling interests</b>					
Share capital	12	7,261,726	7,261,726	7,261,726	7,261,726
Reserves		25,086,426	23,942,420	(22,979)	135,368
Equity attributable to owners of the Company		32,348,152	31,204,146	7,238,747	7,397,094
Non-controlling interests		9,344,742	9,413,419	-	-
<b>Total equity</b>		<b>41,692,894</b>	<b>40,617,565</b>	<b>7,238,747</b>	<b>7,397,094</b>
<b>Non-current liabilities</b>					
Bank and other borrowings					
– due after one year	14	27,196,199	26,736,704	-	-
Senior notes	14	8,010,249	7,783,718	-	-
Lease liabilities		207,678	206,490	-	-
Deferred tax liabilities		4,596,158	4,544,458	-	-
Other payables		291,349	308,764	-	-
Non-trade amount due to:					
Joint venture		200,000	200,000	-	-
Put liability to acquire non-controlling					
interests		333,380	333,380	-	-
Deferred income		307,739	382,106	-	-
<b>Total non-current liabilities</b>		<b>41,142,752</b>	<b>40,495,620</b>	<b>-</b>	<b>-</b>



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	<u>Note</u>	GROUP		COMPANY	
		30.06.2021	31.12.2020	30.06.2021	31.12.2020
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>					
Bank and other borrowings					
– due within one year	14	8,214,541	7,990,620	-	-
Senior notes	14	-	224,379	-	-
Lease liabilities		49,771	65,863	-	-
Trade payables		10,375,108	10,464,094	-	-
Other payables		3,950,757	4,076,676	306	4,512
Contract liabilities		31,911,954	23,940,774	-	-
Non-trade amounts due to:					
Subsidiaries		-	-	11,307,976	11,503,715
Associates		1,091,264	1,062,119	-	-
Joint ventures		7,341,014	7,645,737	-	-
Directors		38,839	143,642	38,339	143,142
Non-controlling shareholders of					
subsidaries	14	4,157,252	2,329,755	-	-
Other related parties		21,955	19,805	-	-
Income tax payable		6,032,019	6,324,696	-	-
Put liability to acquire non-controlling interests		-	1,158,480	-	-
<b>Total current liabilities</b>		<b>73,184,474</b>	<b>65,446,640</b>	<b>11,346,621</b>	<b>11,651,369</b>
<b>Total equity and liabilities</b>		<b>156,020,120</b>	<b>146,559,825</b>	<b>18,585,368</b>	<b>19,048,463</b>

See accompanying notes to condensed interim financial statements.



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## D. Condensed Interim Statements of Changes in Equity

	Note	Share	Treasury	Currency	Statutory	Merger	Other	Accumulated	Equity attributable	Non-	Total
		capital	shares	translation	reserve	deficit	reserve	profits	to owners of the	controlling	
		RMB'000	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>GROUP</b>											
Balance at January 1, 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:											
Acquisition of a subsidiary	17	-	-	-	-	-	-	-	-	(8,889)	(8,889)
Change of interest in subsidiaries		-	-	-	32,434	-	397,221	-	429,655	(1,919,053)	(1,489,398)
Change of control from a subsidiary to a joint venture	18	-	-	-	(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	15	-	-	-	-	-	-	(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
Appropriations		-	-	-	140,687	-	-	(140,687)	-	-	-
Total		-	-	-	147,220	-	397,307	(775,501)	(230,974)	(1,802,059)	(2,033,033)
Balance at June 30, 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



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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
<b>GROUP</b>										
Balance at January 1, 2021	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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<b>Note</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Currency translation reserve</b>	<b>Accumulated profits</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Note 13)</b>			
<b>COMPANY</b>					
Balance at January 1, 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
Transaction with owners, recognised directly in equity:					
Dividends	-	-	-	(660,715)	(660,715)
Total	-	-	-	(660,715)	(660,715)
Balance at June 30, 2020	<u>7,261,726</u>	<u>(132,309)</u>	<u>166,323</u>	<u>374,735</u>	<u>7,670,475</u>
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>

See accompanying notes to condensed interim financial statements.



# YANLORD LAND GROUP LIMITED

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## E. Condensed Interim Consolidated Statement of Cash Flows

	<b>GROUP</b>		
	<b>Note</b>	<b>1H 2021</b>	<b>1H 2020</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>			
Profit before income tax		2,626,401	2,242,167
Adjustments for:			
Allowance for doubtful debts and bad debts written-back		(8)	(4)
Depreciation expense		168,888	168,844
Dividend income from financial assets at fair value through other comprehensive income		(5,716)	(4,066)
Fair value gain on investment property		-	(308,106)
Fair value gain on financial asset at fair value through profit or loss		(92)	(108)
Fair value gain on put liability to acquire non-controlling interests		(65,251)	-
Finance cost		596,615	883,440
Interest income		(216,600)	(244,983)
(Gain) Loss on remeasurement of retained interest in a joint venture		(73,954)	6,085
Net gain on disposal of property, plant and equipment		(4,123)	(200)
Net gain on disposal of investment properties		(121)	(479)
Share of (profit) loss of associates		(95,774)	2,512
Share of profit of joint ventures		(277,245)	(92,149)
Gain on change of control from a subsidiary to a joint venture		(390)	-
Gain on disposal of a subsidiary		-	(17,545)
Operating cash flows before movements in working capital		2,652,630	2,635,408
Properties for development		(1,409,125)	(1,942,600)
Inventories		6,060	3,097
Completed properties for sale		6,826,561	2,100,475
Properties under development for sale		(1,900,635)	(1,599,509)
Trade and other receivables and deposits		43,328	(1,837,191)
Trade and other payables		(1,023,837)	157,828
Contract liabilities		1,848,451	(1,065,402)
Cash generated from (used in) operations		7,043,433	(1,547,894)
Interest paid		(1,184,576)	(1,305,912)
Income tax paid		(1,639,087)	(1,278,925)
Net cash from (used in) operating activities		4,219,770	(4,132,731)



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	Note	GROUP	
		1H 2021 RMB'000	1H 2020 RMB'000
<b>Investing activities</b>			
Cash acquired from acquisition of subsidiaries	17	258,149	582,792
Change of control from subsidiaries to joint ventures	18	9,192	(24,892)
Investments in joint ventures		(25,238)	(172,597)
Investments in an associate		(4,000)	-
Dividend received from associates		2,437	1,833
Dividend received from financial assets at fair value through other comprehensive income		5,716	4,066
Interest received		137,344	130,329
Decrease (Increase) in pledged bank deposits		99,381	(166,827)
Proceeds on disposal of partial interest of a joint venture		690,000	-
Proceeds on disposal of property, plant and equipment		4,592	2,565
Proceeds on disposal of investment properties		239	952
Proceeds on disposal of financial asset at fair value through profit or loss		16,750	1,600
Payment for property, plant and equipment		(30,408)	(30,006)
Payment for investment properties		(254,236)	(349,049)
Purchase of financial assets at fair value through other comprehensive income		-	(3,368)
Purchase of financial assets at fair value through profit or loss		(323,390)	(11,200)
Advance to associates		(206,506)	(134,246)
Repayment from associates		211,456	449,787
Advance to joint ventures		(644,254)	(2,517,744)
Repayment from joint ventures		2,058,857	4,621,554
Advance to non-controlling shareholders of subsidiaries		(682,980)	(845,471)
Advance to a related party		-	(4,000)
Net cash from investing activities		1,323,101	1,536,078



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	Note	GROUP	
		1H 2021 RMB'000	1H 2020 RMB'000
<b>Financing activities</b>			
Dividends paid	15	(640,540)	-
Dividends paid to non-controlling shareholders of subsidiaries		(5,553)	(218,514)
Net proceeds on issue of senior notes		3,199,303	-
Redemption of senior notes		(3,132,166)	(527,671)
Proceeds from bank and other borrowings		7,311,810	8,155,985
Repayment of bank and other borrowings		(6,409,063)	(5,243,528)
Repayment of lease liabilities		(35,492)	(34,524)
Advance from associates		28,945	286,835
(Repayment to) Advance from joint ventures		(869,434)	884,986
Repayment to directors		(102,442)	(1,633)
Advance from non-controlling shareholders of subsidiaries		2,388,199	803,496
Repayment to non-controlling shareholders of subsidiaries		(530,102)	(228,699)
Advance from other related parties		2,150	6,622
Capital injection from non-controlling shareholders of subsidiaries		98,000	420,198
Capital withdrawal by non-controlling shareholders of subsidiaries		(121,286)	(13,920)
Acquisition of non-controlling interests in subsidiaries		(1,093,229)	(809,106)
Net cash from financing activities		89,100	3,480,527
Net increase in cash and cash equivalents		5,631,971	883,874
Cash and cash equivalents at beginning of period		17,199,902	13,817,589
Effect of exchange rate changes on the balances of cash held in foreign currencies		(137,062)	(36,844)
<b>Cash and cash equivalents at end of period</b>		<b>22,694,811</b>	<b>14,664,619</b>

See accompanying notes to condensed interim financial statements.



# YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

## F. Notes to the Condensed Interim Financial Statements

### 1. General

Yanlord Land Group Limited (the “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, the “Group”) as at and for the six months ended June 30, 2021 (“1H 2021”), with the comparative financial statements as at and for the six months ended June 30, 2020 (“1H 2020”) or as at and for the full financial year ended December 31, 2020 (“FY 2020”).

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

### 2. Basis of preparation

The condensed interim financial statements for 1H 2021 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 FY 2020.

The accounting policies and methods of computation adopted in the condensed interim financial statements for 1H 2021 are consistent with those of the audited financial statements for FY 2020 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 2021 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, 2021, 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 2020.



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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	
	30.06.2021 RMB'000	31.12.2020 RMB'000	30.06.2021 RMB'000	31.12.2020 RMB'000
<b>Financial assets</b>				
Financial assets at amortised cost (including cash and cash equivalents)	50,807,265	45,675,351	5,584,714	5,699,426
Financial assets at fair value through other comprehensive income ("FVTOCI")	381,162	383,076	-	-
Financial assets at fair value through profit or loss ("FVTPL")	306,732	-	-	-
	<u>51,495,159</u>	<u>46,058,427</u>	<u>5,584,714</u>	<u>5,699,426</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	69,952,229	68,446,545	11,346,621	11,651,369
Financial liabilities at FVTPL: Put liabilities to acquire non-controlling interests	333,380	1,491,860	-	-
	<u>70,285,609</u>	<u>69,938,405</u>	<u>11,346,621</u>	<u>11,651,369</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	
		30.06.2021	31.12.2020
		RMB'000	RMB'000
<b>GROUP</b>			
Put liabilities to acquire non-controlling interests	Level 3	(333,380)	(1,491,860)
Financial assets at FVTOCI	Level 1	101,515	100,423
Financial assets at FVTOCI	Level 3	279,647	282,653
Financial asset at FVTPL	Level 1	6,732	-
Financial asset at FVTPL	Level 3	300,000	-

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 2021	1H 2020
	RMB'000	RMB'000
Sales of properties to key management personnel and close members of their families	5,508	-
Interest income from associates	48,269	25,713
Interest income from joint ventures	45,106	118,637
Other income from associates	21,685	44,738
Other income from joint ventures	132,501	84,223
Other income from a related party	1,826	3,375
Interest expense to joint ventures	41,017	44,977

As at the end of the reporting period, 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 and a company in which the director has control over, amounting to RMB23 million and RMB23 million (June 30, 2020 : RMB9 million and RMB8 million) respectively. The depreciation of the right-of-use assets and interest expenses associated with the lease liabilities recognised in the profit or loss are RMB6 million and RMB0.3 million (1H 2020 : RMB6 million and RMB0.2 million) respectively. The Group has contracted with a joint venture for future minimum lease receipts of RMB1.368 billion (June 30, 2020 : RMB1.403 billion).

At the end of the reporting period, the Group has pre-sales of properties totaling RMB36 million (June 30, 2020 : RMB19 million) to key management and close members of their families. As at June 30, 2021, advances amounting to RMB22 million (June 30, 2020 : RMB15 million) have been received from key management and close members of their families in relation to the pre-sales of properties.

## 6. Seasonal operations

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



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## 7. Revenue and segment 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.

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:

	<b>GROUP</b>			
	<b>Revenue</b>		<b>Profit (Loss) before income tax</b>	
	<b>1H 2021</b>	<b>1H 2020</b>	<b>1H 2021</b>	<b>1H 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Property development	11,359,781	7,780,040	2,734,553	2,366,425
Property investment and hotel operations	691,578	490,818	206,015	410,642
Property management	419,606	368,930	36,881	30,606
Others	718,042	477,294	(351,048)	(565,506)
<b>Total</b>	<b>13,189,007</b>	<b>9,117,082</b>	<b>2,626,401</b>	<b>2,242,167</b>

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

	<b>GROUP</b>	
	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Property development	98,046,366	91,148,304
Property investment and hotel operations	34,477,535	34,016,043
Property management	612,292	773,628
Others	22,883,927	20,621,850
<b>Total assets</b>	<b>156,020,120</b>	<b>146,559,825</b>

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.





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## Other segment information

	<b>GROUP</b>			
	<b>Depreciation</b>		<b>Additions to non-current assets</b>	
	<b>1H 2021</b>	<b>1H 2020</b>	<b>1H 2021</b>	<b>1H 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Property development	48,085	52,037	1,843,437	1,984,453
Property investment and hotel operations	81,432	77,522	6,278	352,578
Property management	3,831	2,093	2,545	1,777
Others	36,653	38,306	45,988	22,455
<b>Total</b>	<b>170,001</b>	<b>169,958</b>	<b>1,898,248</b>	<b>2,361,263</b>

## 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:

	<b>GROUP</b>			
	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b>1H 2021</b>	<b>1H 2020</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
PRC	12,483,275	8,588,910	42,561,966	40,353,054
Singapore	490,471	340,079	10,678,225	10,973,250
Others	215,261	188,093	670,643	650,297
<b>Total</b>	<b>13,189,007</b>	<b>9,117,082</b>	<b>53,910,834</b>	<b>51,976,601</b>



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## 8. Profit for the period

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

	GROUP	
	1H 2021	1H 2020
	RMB'000	RMB'000
Allowance for doubtful debts and bad debts written-back	(8)	(4)
Depreciation expense	168,888	168,844
Dividend income from financial assets at fair value through other comprehensive income	(5,716)	(4,066)
Fair value gain on investment property	-	(308,106)
Fair value gain on financial asset at fair value through profit or loss	(92)	(108)
Fair value gain on put liability to acquire non-controlling interests	(65,251)	-
Finance cost	596,615	883,440
Interest income	(216,600)	(244,983)
(Gain) Loss on remeasurement of retained interest in a joint venture	(73,954)	6,085
Net gain on disposal of property, plant and equipment	(4,123)	(200)
Net gain on disposal of investment properties	(121)	(479)
Net foreign exchange loss	57,057	9,080
Adjustments for (over) under provision of tax in respect of prior years	(750)	23,182

## 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 2021	1H 2020
	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)	823,394	492,866
<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
	GROUP	
	1H 2021	1H 2020
	'000	'000
Earnings per share (Renminbi cents):		
Basic and diluted	42.63	25.52

There is no potential dilutive ordinary share in 1H 2021 and 1H 2020.



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## 10. Investment properties

	<b>GROUP</b>	
	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At fair value:		
Balance as at beginning of financial year	30,089,567	27,942,862
Additions	254,236	860,345
Change in fair value	-	1,119,581
Disposals	(118)	(1,420)
Transfer from properties under development for sale	-	624,894
Exchange difference	(255,453)	(456,695)
Balance as at end of interim period	<u>30,088,232</u>	<u>30,089,567</u>

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.

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, 2021, 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, 2020.

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 valuations of investment properties are currently 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 at the year end during yearly valuation.

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 the reporting period under review.



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

	<b>GROUP</b>	
	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At cost:		
Properties for development (Non-current assets)	9,024,799	7,321,261
Completed properties for sale (Current assets)	8,022,997	9,689,284
Properties under development for sale (Current assets)	38,161,031	34,918,072
	<b>55,208,827</b>	<b>51,928,617</b>

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, 2020 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, 2021, December 31, 2020 and June 30, 2020, are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>	<b>30.06.2020</b>
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

### 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, 2021 (December 31, 2020 : Nil; June 30, 2020 : 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, 2021, December 31, 2020 and June 30, 2020, are as follows:

	<b>30.06.2021</b>	<b>31.12.2020</b>	<b>30.06.2020</b>
Number of treasury shares	17,201,100	17,201,100	17,201,100
Total amount paid (RMB'000)	132,309	132,309	132,309



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There were no sales, transfers, cancellation and/or use of treasury shares as at June 30, 2021 (December 31, 2020 : Nil; June 30, 2020 : Nil). The total number of issued shares of the Company excluding treasury shares as at June 30, 2021, December 31, 2020 and June 30, 2020, are as follows:

	<u>30.06.2021</u>	<u>31.12.2020</u>	<u>30.06.2020</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 of bank and other borrowings, senior notes and current loans from non-controlling shareholders.

	<u>GROUP</u>	
	<u>30.06.2021</u>	<u>31.12.2020</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Amount repayable in one year or less, or on demand:		
- Secured	6,300,894	5,602,118
- Unsecured	2,001,349	2,759,383
	<u>8,302,243</u>	<u>8,361,501</u>
Amount repayable after one year:		
- Secured	14,758,058	17,373,748
- Unsecured	20,448,390	17,146,674
	<u>35,206,448</u>	<u>34,520,422</u>
Total	<u>43,508,691</u>	<u>42,881,923</u>

### 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.

## 15. Dividends

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 for the financial year ended December 31, 2020.

In 1H 2020, approximately RMB661 million of dividends was declared in respect of a final tax-exempt dividend of 6.80 Singapore cents (equivalent to 34.21 Renminbi cents) per ordinary share for the financial year ended December 31, 2019. The dividends had been paid subsequent to June 30, 2020.



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## 16. Net asset value

	GROUP		COMPANY	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	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	16.75	16.16	3.75	3.83

## 17. Acquisition of subsidiaries

### Acquisition of a subsidiary in 1H 2020

On April 30, 2020, the Group entered into agreement with a shareholder of a joint venture, Tianjin Yanlord Hehai Real Estate Co., Ltd. ("Tianjin Hehai") which agreed to act-in-concert with the Group in relation to the relevant operating and financial activities of Tianjin Hehai. As a result, the Group obtained control over Tianjin Hehai, an entity previously held as a 60% joint venture and Tianjin Hehai became a 60% subsidiary of the Group.

### 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. ("Shanghai Dongdao") for a cash consideration of RMB25 million.
- (b) As a result of change of 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% joint venture through its 60% subsidiary, Yanlord Land (Nantong) Co., Ltd.. Following the change, Nantong Hechuang became a 30.6% subsidiary of the Group. Consequently, the Group reclassified Nantong Hechuang from a joint venture to a subsidiary.

The Group's intention was to acquire the land and vacant properties held by Shanghai Dongdao and the Group did not take control over any management or operational process from the vendor as it intends to develop and sell the properties. The acquisition of Shanghai Dongdao was accounted for as acquisition of assets and was out of scope of SFRS(I) 3 *Business Combinations*. The acquisition of Nantong Hechuang during the reporting period was accounted for as acquisition of business under SFRS(I) 3.

Had the business combination during the reporting period been effected as at January 1, 2021, the Group's revenue would have been RMB13.189 billion (1H 2020 : RMB9.117 billion), and the profit for the period would have been RMB1.575 billion (1H 2020 : RMB1.013 billion).



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

	GROUP	
	1H 2021 RMB'000	1H 2020 RMB'000
Non-current assets	676	29,909
Current assets	7,476,445	4,892,347
Non-current liabilities	-	(789,032)
Current liabilities	(7,184,036)	(4,148,198)
Net assets at date of acquisition	293,085	(14,974)
Non-controlling interests	(194,131)	8,889
Net assets acquired	98,954	(6,085)
(Gain) Loss on remeasurement of retained interest in a joint venture	(73,954)	6,085
Total consideration	25,000	-
Cash acquired	(283,149)	(582,792)
Net cash outflow arising from acquisition of subsidiaries	(258,149)	(582,792)

## 18. Change of control from subsidiaries to joint ventures

### Change of control from subsidiaries to joint ventures in 1H 2020

- The Group lost control over Shanghai Renjie Hebin Garden Property Co., Ltd. ("Shanghai Renjie") with effect from March 16, 2020, as a result of disposal of 1% interest in Shanghai Renjie. Accordingly, Shanghai Renjie ceased to be a subsidiary of the Group and is classified as a 50% joint venture. Consequently, Shanghai Renjie was deconsolidated and is equity accounted for in the consolidated financial statements.
- The Group lost control over Shanghai Renchong Real Estate Co., Ltd. ("Shanghai Renchong") and its wholly-owned subsidiary, Shanghai Renjia Property Development Co., Ltd. ("Shanghai Renjia") with effect from June 28, 2020, as a result of capital injection to Shanghai Renchong by joint venture partners. Accordingly, Shanghai Renchong and Shanghai Renjia ceased to be subsidiaries of the Group and both are classified as 27.5% joint ventures. Consequently, Shanghai Renchong and Shanghai Renjia were deconsolidated and are equity accounted for in the consolidated financial statements.
- The Group lost control over Hangzhou Renrui Property Development Co., Ltd. ("Hangzhou Renrui"), with effect from June 30, 2020, as a result of dilution of interest in Hangzhou Renrui by joint venture partner. Accordingly, Hangzhou Renrui ceased to be a subsidiary of the Group and is classified as a 45.5% joint venture. Consequently, Hangzhou Renrui was deconsolidated and is equity accounted for in the consolidated financial statements.

### 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 disposal of 92% interest in Suzhou Renzhuo. Accordingly, Suzhou Renzhuo ceased to be a subsidiary of the Group and is classified as a 8% 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:

	<b>GROUP</b>	
	<b>1H 2021</b>	<b>1H 2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Non-current assets	9,604	1,665
Current assets	8	6,511,713
Non-current liabilities	-	(324)
Current liabilities	(2)	(6,418,574)
Net assets at date of change of control	9,610	94,480
Non-controlling interests	-	(61,881)
Net assets derecognised	9,610	32,599
<b>Gain on change of control</b>		
Consideration received	9,200	-
Net asset derecognised	(9,610)	(32,599)
Fair value of retained interest	800	32,599
	390	-
<b>Net cash inflow (outflow) arising from change of control</b>		
Consideration received	9,200	-
Cash and cash equivalents derecognised	(8)	(24,892)
	9,192	(24,892)





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## 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, 2021 and the condensed interim consolidated statement of profit or loss, 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 2021 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 2021 vs. 1H 2020

##### Revenue and cost of sales

Revenue of the Group in 1H 2021 grew by 44.7% or RMB4.072 billion to RMB13.189 billion from RMB9.117 billion in 1H 2020 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 2020. The decrease in ASP achieved by the Group in 1H 2021 was mainly due to the change in the composition of product-mix delivered in the current reporting period. Revenue in 1H 2021 was mainly generated from Yanlord on the Park (仁恒·公园世纪) in Wuhan, Yanlord Gardens (Phase 1) (仁恒花园·一期) in Nantong, Yanlord Majestic Mansion (仁恒海和院) in Tianjin, The Park Mansion (公园世纪苑) in Nanjing and Yanlord Marina Centre - Section B (仁恒滨海中心 - B 标段) in Zhuzhai, represented 23.4%, 20.2%, 17.6%, 11.7% and 6.8% respectively of the Group's gross revenue from sales of properties in 1H 2021.

Cost of sales in 1H 2021, which mainly included land, construction and capitalised borrowing costs, increased to RMB9.669 billion compared to RMB5.842 billion in 1H 2020, mainly attributable to the increase in GFA delivered to customers in 1H 2021 compared to the corresponding period in 2020.

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 7.5% or RMB244 million to RMB3.520 billion in 1H 2021 from RMB3.275 billion in 1H 2020 as a result of increase in GFA delivered to customers in 1H 2021 over the same reporting period in 2020. Gross profit margin decreased by 9.2 percentage points to 26.7% in 1H 2021 from 35.9% in 1H 2020 primarily due to the change in the composition of product-mix delivered in the current reporting period.

##### Other operating income and other gains

Other operating income and other gains mainly included interest income, gain on the remeasurement of retained interest in a joint venture and fair value gain from put liability to acquire non-controlling interest. Other operating income and other gains increased by 41.0% or RMB119 million to RMB408 million in 1H 2021 from RMB290 million in 1H 2020. This is mainly due to gain on the remeasurement of retained interest in a joint venture and fair value gain from put liability to acquire non-controlling interest, partly offset by the decrease in interest income generated from non-trade amounts due from joint ventures in 1H 2021 compared to 1H 2020.



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## Fair value gain on investment property

There is no fair value gain on investment property in 1H 2021 compared to RMB308 million in 1H 2020. 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.

## Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by 24.0% or RMB53 million to RMB272 million in 1H 2021 compared to RMB220 million in 1H 2020 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 2020.

## 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 increased by 22.0% or RMB131 million to RMB725 million in 1H 2021 over the same reporting period in 2020 primarily as a result of an increase in staff costs and entertainment, in line with the continuing growth of the Group's business. The net foreign exchange loss arose mainly due to conversion of different monetary currencies in ordinary course of business.

## Other operating expenses

Other operating expenses increased by RMB9 million to RMB23 million in 1H 2021 compared to RMB14 million in 1H 2020 primarily due to increase in donations in current reporting period.

## Finance cost

Finance cost, net of capitalised interest, decreased by RMB287 million to RMB597 million in 1H 2021 from RMB883 million in 1H 2020 mainly due to a decrease in interest on bank loans and other borrowings and 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 profit (loss) of associates

The Group recorded share of profit of associates of RMB96 million in 1H 2021 compared to share of loss of associates of RMB3 million in 1H 2020. 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 RMB185 million to RMB277 million in 1H 2021 from RMB92 million in 1H 2020 mainly due to the increase in share of profit of joint ventures in 1H 2021 primarily resulting from the share of profit of Tangshan Nanhu Eco-City (唐山南湖生态城) and Yanlord Century Gardens (仁恒世纪花园) in Jinan, partly offset by the decrease in share of profit of Sino-Singapore Nanjing Eco Hi-tech Island (中新南京生态科技岛).



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## Profit before tax

Due to the increase in gross profit, other operating income and other gains and share of profit of joint ventures and associates as well as the decrease in finance cost, partly offset by absence of fair value gain on investment property reported in 1H 2021, profit before income tax increased by 17.1% or RMB384 million to RMB2.626 billion in 1H 2021 from RMB2.242 billion in 1H 2020. Profit before income tax margin decreased by 4.7 percentage points to 19.9% in 1H 2021 compared to 24.6% in 1H 2020, in line with the decrease in gross profit margin in 1H 2021.

## Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax and dividend withholding tax, decreased by RMB171 million to RMB1.059 billion in 1H 2021 from RMB1.230 billion in 1H 2020 mainly due to the decrease in land appreciation tax compared to the corresponding period in 2020.

## Profit for the period

Profit for the period increased by 54.8% or RMB555 million to RMB1.567 billion in 1H 2021 from RMB1.013 billion in 1H 2020. The profit margin for the period increased by 0.8 percentage point to 11.9% in 1H 2021 compared to 11.1% in 1H 2020.

**(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**

#### Other receivables and deposits

Other receivables and deposits decreased by RMB481 million to RMB2.175 billion as at June 30, 2021 from RMB2.656 billion as at December 31, 2020 mainly due to decrease in deposits for projects.

#### Non-trade amounts due from joint ventures

Non-trade amount due from joint ventures decreased to RMB2.337 billion as at June 30, 2021 from RMB2.782 billion as at December 31, 2020 mainly due to transfer the amount due within one year to current assets and repayment from joint ventures, partly offset by the increase in shareholder's loan to joint venture.

### **Current assets**

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

Non-trade amounts due from non-controlling shareholders of subsidiaries increased to RMB7.396 billion as at June 30, 2021 from RMB6.178 billion as at December 31, 2020 mainly due to distribution of surplus fund to non-controlling shareholders of subsidiaries.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss of RMB307 million as at June 30, 2021 pertains to investments in fund and trust.

### **Non-current liabilities**

#### Senior notes

Senior notes increased by RMB227 million to RMB8.010 billion as at June 30, 2021 from RMB7.784 billion as at December 31, 2020 mainly due to the issuance of US\$500 million 5.125% senior notes due 2026 by a wholly-owned subsidiary, partly offset by early redemption of US\$450 million 5.875% senior notes due 2022.



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## Current liabilities

### Senior notes

Senior notes as at June 30, 2021 was RMB Nil compared to RMB224 million as at December 31, 2020 due to S\$45 million senior notes due in June 2021 was fully redeemed on maturity.

### Non-trade amounts due to directors

Non-trade amounts due to directors decreased by 73.0% or RMB105 million to RMB39 million as at June 30, 2021 from RMB144 million as at December 31, 2020 due to payment to directors in current reporting period.

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

Non-trade amounts due to non-controlling shareholders of subsidiaries increased by RMB1.827 billion to RMB4.157 billion as at June 30, 2021 from RMB2.330 billion as at December 31, 2020 mainly due to advance received from non-controlling shareholders.

### Put liability to acquire non-controlling interests

Put liability to acquire non-controlling interests as at June 30, 2021 was RMB Nil compared to RMB1.158 billion as at December 31, 2020 as non-controlling shareholder has exercised the non-cancellable right to put back its shares to the Group in current reporting period.

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.

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**

Backed by strong economy recovery from the COVID-19 pandemic in second half of 2020 in the PRC, the real estate sector recovered strongly in 1H 2021 with total investment in residential development increased by 17.0% to RMB5.424 trillion year on year based on data released by the National Bureau of Statistics of the PRC on 15 July 2021. In 1H 2021, primary residential property sales in terms of floor area increased by 29.4% year on year. Buoyed by resilient demand for residential properties, primary commodity housing prices in the top 70 cities rose approximately 4.3% year on year in June 2021.



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For 1H 2021, the Group together with its joint ventures and associates' total contracted pre-sales from residential and commercial units, and car parks was approximately RMB28.681 billion on contracted GFA of 898,943 sqm, a decrease of 3.7% and an increase of 8.1% respectively compared to the corresponding period of 2020. Taking into consideration the total contracted pre-sales of other property development projects under the Group's project management business bearing the "Yanlord" brand name, the total property contracted pre-sales increased by 13.1% to RMB35.524 billion for 1H 2021 compared to 1H 2020.

As at June 30, 2021, the Group together with its joint ventures and associates recorded an accumulated contracted pre-sale of RMB115.364 billion on a total GFA of approximately 3.2 million sqm, which are pending recognition in second half of 2021 ("2H 2021") and beyond.

In line with the strong 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 2021, namely:

- Yangtze River Delta: Yanlord Arcadia (仁恒海上源), Poetic Villa (荟雅华庭), Moons Villa (仁恒·海明院) and Shanghai Olympic Garden (Phase 3 - Section 2) (上海奥林匹克花园·三期二标) in Shanghai; Riverbay Century Gardens (Phase 2) (江湾世纪花园·二期) and Majestive Mansion (海和院) in Nanjing; Lantern (Phase 1) (澜庭·一期) in Suzhou; Hangzhou Bay (Phase 4) (前湾江澜湾); Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园·一期) and Yanlord The Mansion in Park (星岸家园) in Yancheng; Central Lake (Phase 1) (星湖雅园·一期) in Wuxi;
- Bohai Rim: Star Century (恒美雅苑) in Tianjin; Tangshan Nanhu Eco-City - Land Parcel A14 (唐山南湖生态城·A14 地块); Yanlord Century Plaza (仁恒世纪广场) and The Mansion in Park (仁恒奥体公园世纪) in Jinan; Yanlord on the Park (仁恒公园世纪) in Shenyang;
- Greater Bay Area: Yanlord Century Mansion (仁恒世纪大厦) and Yanlord Reverie Plaza (仁恒梦创广场) in Shenzhen; Four Seasons Park (Phase 1) (星月彩虹花苑·一期) in Zhongshan; and
- Central China: The Yangtze Garden (Phase 1) (仁恒滨江园·一期) in Wuhan.

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 (the "Board") is cautiously confident of the Group's performance 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.*



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*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.

- 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 2021 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

August 12, 2021