



YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED DECEMBER 31, 2023

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YANLORD LAND GROUP LIMITED

(Company Reg. No. 200601911K)

A. Condensed Interim Consolidated Statement of Profit or Loss

		GROUP					
Note	2H 2023	2H 2022	Change %	FY 2023	FY 2022	Change %	
	RMB'000	RMB'000	+/(-)	RMB'000	RMB'000	+/(-)	
Revenue	7	28,589,661	17,373,406	65	43,395,421	28,712,264	51
Cost of sales		(24,461,672)	(13,654,719)	79	(35,108,304)	(20,960,455)	67
Gross profit		4,127,989	3,718,687	11	8,287,117	7,751,809	7
Other operating income and other gains		219,477	840,076	(74)	425,299	1,139,493	(63)
Fair value loss on investment properties		(532,730)	(170,996)	212	(532,730)	(170,996)	212
Selling expenses		(390,675)	(379,633)	3	(688,370)	(589,627)	17
Administrative expenses		(726,977)	(969,587)	(25)	(1,341,581)	(1,641,947)	(18)
Net impairment losses on financial assets		(1,059,497)	(463,510)	129	(1,062,324)	(465,545)	128
Other operating expenses		(672,572)	(10,008)	6,620	(694,694)	(26,766)	2,495
Finance cost		(700,548)	(608,164)	15	(1,296,215)	(1,132,170)	14
Share of loss of associates		(96,477)	(94,233)	2	(91,034)	(102,791)	(11)
Share of profit of joint ventures		14,571	393,283	(96)	47,682	687,127	(93)
Profit before income tax		182,561	2,255,915	(92)	3,053,150	5,448,587	(44)
Income tax		(2,376,455)	(1,143,583)	108	(3,775,543)	(2,579,081)	46
(Loss) Profit for the period/year	8	(2,193,894)	1,112,332	NM	(722,393)	2,869,506	NM
(Loss) Profit attributable to:							
Owners of the Company		(2,028,886)	155,595	NM	(933,614)	1,532,562	NM
Non-controlling interests		(165,008)	956,737	NM	211,221	1,336,944	(84)
		(2,193,894)	1,112,332	NM	(722,393)	2,869,506	NM
(Loss) Earnings per share	9						
(Renminbi cents)							
- Basic		(105.04)	8.05	NM	(48.34)	79.34	NM
- Diluted		(105.04)	8.05	NM	(48.34)	79.34	NM

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			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss) Profit for the period/year	(2,193,894)	1,112,332	(722,393)	2,869,506
Other comprehensive income (expense):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Currency translation difference	(15,007)	792,811	244,523	658,804
Change in fair value of financial assets at fair value through other comprehensive income	(20,922)	(33,333)	18,829	(44,384)
Remeasurements of defined benefit pension plans	18,667	(6,113)	18,667	(6,113)
Income tax relating to components of other comprehensive income	(4,667)	1,527	(4,667)	1,527
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation difference	241,280	(555,820)	(26,637)	(1,020,947)
Share of other comprehensive income (expense) of associates	9,150	(2,951)	8,850	(3,084)
Share of other comprehensive income of a joint venture	-	-	-	7
Other comprehensive income (expense) for the period/year, net of tax	228,501	196,121	259,565	(414,190)
Total comprehensive (expense) income for the period/year	(1,965,393)	1,308,453	(462,828)	2,455,316
Total comprehensive (expense) income attributable to:				
Owners of the Company	(1,799,019)	348,228	(673,095)	1,113,642
Non-controlling interests	(166,374)	960,225	210,267	1,341,674
	(1,965,393)	1,308,453	(462,828)	2,455,316



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C. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment		3,582,298	3,579,245	-	-
Investment properties	10	35,599,106	31,236,480	-	-
Right-of-use assets		29,228	82,472	-	-
Properties for development	11	1,684,362	2,257,548	-	-
Investments in subsidiaries		-	-	21,371,761	20,600,307
Investments in associates		1,675,600	1,712,246	-	-
Investments in joint ventures		7,106,068	8,964,325	-	-
Other receivables and deposits		2,063,862	2,281,800	-	-
Non-trade amounts due from:					
Associates		636,087	690,058	-	-
Joint ventures		1,687,387	1,982,465	-	-
Non-controlling shareholders of subsidiaries		1,575,675	735,977	-	-
Financial assets at fair value through other comprehensive income		164,096	331,918	-	-
Intangible assets		2,092	2,092	-	-
Deferred tax assets		965,436	816,888	-	-
Pledged bank deposits		6,005	6,005	-	-
Total non-current assets		56,777,302	54,679,519	21,371,761	20,600,307
Current assets					
Inventories		171,292	212,310	-	-
Completed properties for sale	11	12,324,425	10,709,085	-	-
Properties under development for sale	11	46,456,204	72,521,540	-	-
Trade receivables		1,084,881	1,836,131	-	-
Other receivables and deposits		6,852,747	6,822,758	17	198
Non-trade amounts due from:					
Subsidiaries		-	-	453,690	52,120
Associates		1,425,238	1,541,758	-	-
Joint ventures		4,971,023	6,925,493	-	-
Non-controlling shareholders of subsidiaries		8,891,769	9,078,859	-	-



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	Note	GROUP		COMPANY	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RMB'000	RMB'000	RMB'000	RMB'000
Other related parties		4,816	4,804	-	-
Income tax prepayment		2,752,175	4,017,528	-	-
Pledged bank deposits		15,175	20,011	-	-
Cash and cash equivalents		13,007,349	20,696,044	1,892	386,105
Total current assets		97,957,094	134,386,321	455,599	438,423
Total assets		154,734,396	189,065,840	21,827,360	21,038,730
<u>EQUITY AND LIABILITIES</u>					
Capital, reserves and non-controlling interests					
Share capital	12	7,261,726	7,261,726	7,261,726	7,261,726
Reserves		27,062,232	27,706,118	880,512	603,738
Equity attributable to owners of the Company		34,323,958	34,967,844	8,142,238	7,865,464
Non-controlling interests		9,415,166	10,383,162	-	-
Total equity		43,739,124	45,351,006	8,142,238	7,865,464
Non-current liabilities					
Bank and other borrowings					
– due after one year	14	17,265,500	22,726,456	-	-
Senior notes	14	3,522,193	6,065,790	-	-
Lease liabilities		22,976	25,576	-	-
Deferred tax liabilities		4,040,010	4,440,393	-	-
Other payables		272,698	275,548	-	-
Non-trade amounts due to:					
Joint ventures		163,510	425,812	-	-
Non-controlling shareholders of subsidiaries	14	4,598,852	198,010	-	-
Deferred income		10,983	21,327	-	-
Total non-current liabilities		29,896,722	34,178,912	-	-



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	<u>Note</u>	GROUP		COMPANY	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Bank and other borrowings					
– due within one year	14	6,680,273	11,822,726	-	-
Senior notes	14	2,547,479	2,298,873	-	-
Lease liabilities		10,976	66,566	-	-
Trade payables		13,481,065	12,318,727	-	-
Other payables		5,526,087	5,525,319	4,435	4,098
Contract liabilities		33,384,203	55,835,952	-	-
Non-trade amounts due to:					
Subsidiaries		-	-	13,677,998	13,142,076
Associates		901,364	936,658	-	-
Joint ventures		8,438,062	8,852,316	-	-
Directors		2,689	27,092	2,689	27,092
Non-controlling shareholders of subsidiaries	14	3,622,476	6,102,600	-	-
Other related parties		-	6,862	-	-
Put liability to acquire non-controlling interests		127,591	137,730	-	-
Income tax payable		6,376,285	5,604,501	-	-
Total current liabilities		81,098,550	109,535,922	13,685,122	13,173,266
Total equity and liabilities		154,734,396	189,065,840	21,827,360	21,038,730

See accompanying notes to condensed interim financial statements.



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D. Condensed Interim Statements of Changes in Equity

Note	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total	
	RMB'000	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
GROUP											
	Balance at January 1, 2022	7,261,726	(132,309)	(255,063)	3,461,228	(1,834,019)	(1,569,878)	27,343,995	34,275,680	9,579,940	43,855,620
	Total comprehensive income for the year:										
	Profit for the year	-	-	-	-	-	1,532,562	1,532,562	1,336,944	2,869,506	
	Other comprehensive expense for the year	-	-	(368,921)	-	(45,413)	(4,586)	(418,920)	4,730	(414,190)	
	Total	-	-	(368,921)	-	(45,413)	1,527,976	1,113,642	1,341,674	2,455,316	
	Transactions with owners, recognised directly in equity:										
	Acquisition of subsidiaries	17	-	-	-	-	-	-	2,189,791	2,189,791	
	Change of interest in subsidiaries		-	-	-	-	75	75	39	114	
	Capital injection from non-controlling shareholders		-	-	-	-	-	-	1,698,200	1,698,200	
	Capital withdrawal by non-controlling shareholders		-	-	-	-	-	-	(2,281,029)	(2,281,029)	
	Dividends	15	-	-	-	-	(616,426)	(616,426)	-	(616,426)	
	Dividends declared to non-controlling shareholders		-	-	-	-	-	-	(2,145,453)	(2,145,453)	
	Share of share option reserve from associates		-	-	-	-	433	433	-	433	
	Put liability to acquire non-controlling interests		-	-	-	-	194,440	194,440	-	194,440	
	Appropriations		-	-	410,600	-	(410,600)	-	-	-	
	Total		-	-	410,600	-	194,948	(1,027,026)	(421,478)	(538,452)	(959,930)
	Balance at December 31, 2022	7,261,726	(132,309)	(623,984)	3,871,828	(1,834,019)	(1,420,343)	27,844,945	34,967,844	10,383,162	45,351,006



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Note	Share capital	Treasury shares	Currency translation reserve	Statutory reserve	Merger deficit	Other reserve	Accumulated profits	Equity attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000 (Note 13)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP										
Balance at January 1, 2023	7,261,726	(132,309)	(623,984)	3,871,828	(1,834,019)	(1,420,343)	27,844,945	34,967,844	10,383,162	45,351,006
Total comprehensive expense for the year:										
Loss for the year	-	-	-	-	-	-	(933,614)	(933,614)	211,221	(722,393)
Other comprehensive income for the year	-	-	218,924	-	-	27,679	13,916	260,519	(954)	259,565
Total	-	-	218,924	-	-	27,679	(919,698)	(673,095)	210,267	(462,828)
Transactions with owners, recognised directly in equity:										
Change of interest in subsidiaries	-	-	-	-	-	(27,700)	-	(27,700)	(71,831)	(99,531)
Change of control from a subsidiary to an associate	-	-	-	-	-	(1)	1	-	(7,998)	(7,998)
Liquidation of subsidiaries	-	-	(1)	-	-	68	(67)	-	-	-
Dissolvement of a subsidiary	-	-	-	(56)	-	845	(679)	110	(110)	-
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	112,899	112,899
Capital withdrawal by a non-controlling shareholder	-	-	-	-	-	-	-	-	(92,158)	(92,158)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,119,065)	(1,119,065)
Share of share option reserve from associates	-	-	-	-	-	517	-	517	-	517
Put liability to acquire non-controlling interest	-	-	-	-	-	56,282	-	56,282	-	56,282
Appropriations	-	-	-	290,614	-	-	(290,614)	-	-	-
Total	-	-	(1)	290,558	-	30,011	(291,359)	29,209	(1,178,263)	(1,149,054)
Transfer on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	5,276	(5,276)	-	-	-
Balance at December 31, 2023	7,261,726	(132,309)	(405,061)	4,162,386	(1,834,019)	(1,357,377)	26,628,612	34,323,958	9,415,166	43,739,124



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Note	Share capital RMB'000	Treasury shares RMB'000 (Note 13)	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
COMPANY					
Balance at January 1, 2022	7,261,726	(132,309)	(380,712)	313,212	7,061,917
Total comprehensive income for the year:					
Profit for the year	-	-	-	716,499	716,499
Other comprehensive income for the year	-	-	703,474	-	703,474
Total	-	-	703,474	716,499	1,419,973
Transaction with owners, recognised directly in equity:					
Dividends	-	-	-	(616,426)	(616,426)
Total	-	-	-	(616,426)	(616,426)
Balance at December 31, 2022	7,261,726	(132,309)	322,762	413,285	7,865,464
Total comprehensive income for the year:					
Loss for the year	-	-	-	(17,554)	(17,554)
Other comprehensive income for the year	-	-	294,328	-	294,328
Total	-	-	294,328	(17,554)	276,774
Balance at December 31, 2023	7,261,726	(132,309)	617,090	395,731	8,142,238

See accompanying notes to condensed interim financial statements.



YANLORD LAND GROUP LIMITED

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E. Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	FY 2023	FY 2022
Note	RMB'000	RMB'000
Operating activities		
Profit before income tax	3,053,150	5,448,587
Adjustments for:		
Net impairment losses on financial assets	1,062,324	465,545
Write-down of completed properties for sale and properties under development for sale	1,452,529	9,476
Depreciation expense	292,516	309,484
Dividend income from financial assets at fair value through other comprehensive income	(7,139)	(10,526)
Fair value loss on investment properties	532,730	170,996
Fair value gain on financial asset at fair value through profit or loss	(90)	(86)
Fair value loss (gain) from put liability to acquire non-controlling interests	46,143	(6,262)
Finance cost	1,296,215	1,132,170
Interest income	(287,632)	(436,310)
Gain on remeasurement of retained interests in joint ventures	-	(239,518)
Gain on bargain purchase	-	(4,403)
Gain on change of control from a subsidiary to an associate	(2)	-
Gain on repurchase of senior notes	(7,932)	(77,913)
Net gain on disposal of property, plant and equipment	(876)	(187,683)
Loss on disposal of subsidiaries	41,059	-
Loss on disposal of joint ventures	577,010	-
Gain on lease modification	(835)	(5,235)
Provision for development charge written-back	(25,294)	-
Loss on withdrawal of a redevelopment project	-	256,144
Share of loss of associates	91,034	102,791
Share of profit of joint ventures	(47,682)	(687,127)
Operating cash flows before movements in working capital	8,067,228	6,240,130
Properties for development	(217,728)	(231,439)
Inventories	41,055	(8,306)
Completed properties for sale	31,913,020	18,860,946
Properties under development for sale	(9,991,970)	(9,107,044)
Trade and other receivables and deposits	673,547	(818,996)
Trade and other payables	1,120,839	2,262,557
Contract liabilities	(22,501,621)	113,564
Cash generated from operations	9,104,370	17,311,412
Interest paid	(2,358,989)	(2,494,397)
Income tax paid	(2,265,016)	(6,389,658)
Net cash from operating activities	4,480,365	8,427,357



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	Note	GROUP	
		FY 2023 RMB'000	FY 2022 RMB'000
Investing activities			
Acquisition of subsidiaries	17	-	4,671,824
Change of control from a subsidiary to an associate	18	(15,087)	-
Investments in associates		(6,306)	(11,348)
Investments in joint ventures		(50,050)	(14,325)
Proceeds from capital reduction of joint ventures		501,071	170,780
Dividend received from associates		11,956	15,350
Dividend received from joint ventures		40,000	-
Dividend received from financial assets at fair value through other comprehensive income		7,139	14,670
Interest received		300,022	636,747
Decrease in pledged bank deposits		4,836	242,285
Proceeds on disposal of property, plant and equipment		6,126	275,786
Net proceeds on disposal of subsidiaries		421,486	-
Proceeds on disposal of interest in joint ventures		98,821	-
Proceeds on disposal of financial asset at fair value through other comprehensive income		188,671	28,075
Proceed on disposal of financial asset at fair value through profit or loss		17,690	15,286
Payment for property, plant and equipment		(94,239)	(172,380)
Payment for investment properties		(1,308,027)	(621,655)
Purchase of financial assets at fair value through other comprehensive income		-	(200)
Purchase of financial asset at fair value through profit or loss		(17,600)	(15,200)
Advance to associates		(491,403)	(1,845,619)
Repayment from associates		544,030	347,802
Advance to joint ventures		(329,485)	(2,902,341)
Repayment from joint ventures		1,749,275	1,353,684
Advance to non-controlling shareholders of subsidiaries		(237,181)	(1,334,819)
Net cash from investing activities		1,341,745	854,402



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	Note	GROUP	
		FY 2023 RMB'000	FY 2022 RMB'000
Financing activities			
Dividends paid	15	-	(616,426)
Dividends paid to non-controlling shareholders of subsidiaries		(1,007,643)	(858,072)
Repurchase and redemption of senior notes		(2,433,490)	(214,343)
Proceeds from bank and other borrowings		8,604,354	12,372,222
Repayment of bank and other borrowings		(19,502,157)	(20,071,507)
Repayment of lease liabilities		(73,914)	(66,544)
Advance from associates		29,700	393,710
Repayment to associates		(54,381)	(14,333)
Advance from joint ventures		574,792	3,542,262
Repayment to joint ventures		(1,004,643)	(1,777,604)
Repayment to directors		(27,821)	(45,101)
Advance from non-controlling shareholders of subsidiaries		1,664,949	554,708
Repayment to non-controlling shareholders of subsidiaries		(116,523)	(1,584,484)
Capital injection from non-controlling shareholders of subsidiaries		6,190	66,500
Capital withdrawal by non-controlling shareholders of subsidiaries		(92,158)	(2,012,851)
Acquisition of non-controlling interests in subsidiaries		(12,084)	(379)
Net cash used in financing activities		<u>(13,444,829)</u>	<u>(10,332,242)</u>
Net decrease in cash and cash equivalents		(7,622,719)	(1,050,483)
Cash and cash equivalents at beginning of year		20,696,044	21,551,718
Effect of exchange rate changes on the balances of cash held in foreign currencies		(65,976)	194,809
Cash and cash equivalents at end of year		<u>13,007,349</u>	<u>20,696,044</u>

See accompanying notes to condensed interim financial statements.



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F. Notes to the Condensed Interim Financial Statements

1. General

Yanlord Land Group Limited (“Company”) (Registration No. 200601911K) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Temasek Boulevard, #36-02 Suntec Tower Two, Singapore 038989. The Company is listed on the Mainboard of the Singapore Exchange. These are condensed interim financial statements of the Company and its subsidiaries (collectively, “Yanlord” or “Group”) for the six months ended December 31, 2023 (“2H 2023”) and as at or for the full financial year ended December 31, 2023 (“FY 2023”), with the comparative financial statements for the six months ended December 31, 2022 (“2H 2022”) and as at or for the full financial year ended December 31, 2022 (“FY 2022”).

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

2. Basis of preparation

The condensed interim financial statements for 2H 2023 and FY 2023 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 2022.

The accounting policies and methods of computation adopted in the condensed interim financial statements for 2H 2023 and FY 2023 are consistent with those of the audited financial statements for FY 2022 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 2H 2023 and FY 2023 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, 2023, 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 2022.



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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	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Financial assets				
Financial assets at amortised cost (including cash and cash equivalents)	39,385,274	49,471,425	455,582	438,410
Financial assets at fair value through other comprehensive income ("FVTOCI")	164,096	331,918	-	-
	<u>39,549,370</u>	<u>49,803,343</u>	<u>455,582</u>	<u>438,410</u>
Financial liabilities				
Financial liabilities at amortised cost	65,777,850	76,425,250	13,685,122	13,173,266
Financial liabilities at financial assets at fair value through profit or loss ("FVTPL"):				
Put liability to acquire non-controlling interests	127,591	137,730	-	-
	<u>65,905,441</u>	<u>76,562,980</u>	<u>13,685,122</u>	<u>13,173,266</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 presents the financial assets and financial liabilities measured at fair value:

Financial assets/(liabilities)	Fair value hierarchy	Fair value as at	
		31.12.2023	31.12.2022
		RMB'000	RMB'000
GROUP			
Put liability to acquire non-controlling interests	Level 3	(127,591)	(137,730)
Financial assets at FVTOCI	Level 1	28,279	72,750
Financial assets at FVTOCI	Level 3	135,817	259,168

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/year, the Group entered into the following transactions with related parties:

	GROUP			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of properties to a joint venture	-	-	-	9,174
Sales of properties to key management personnel and close members of their families	1,961	16,309	1,961	22,826
Waiver of interest income from an associate	32,077	-	32,077	-
Interest income from associates	6,434	29,072	16,670	46,065
Interest income from joint ventures	12,053	46,092	36,597	60,060
Other income from associates	144,093	115,349	265,472	135,250
Other income from joint ventures	119,071	217,412	275,998	328,580
Other income from a related party	2,069	1,853	4,001	3,486
Interest expense to joint ventures	26,302	14,138	26,302	29,222
Interest expense on senior notes to directors	21,842	21,341	40,884	32,390
Other expense to joint ventures	1,409	9,948	1,422	12,001

As at December 31, 2023, the Group recognised right-of-use assets and corresponding liabilities in respect of leases of land and buildings for the office premises and staff accommodation from a director of the Company and a company in which a director of the Company has control over, amounting to RMB0.7 million and RMB0.6 million (December 31, 2022 : RMB12 million and RMB11 million) respectively. The depreciation of the right-of-use assets and interest expenses associated with the lease liabilities recognised in the profit or loss in 2H 2023 are RMB6 million and RMB0.1 million (2H 2022 : RMB6 million and RMB0.1 million) and RMB11 million and RMB0.2 million in FY 2023 (FY 2022 : RMB10 million and RMB0.3 million) respectively. As at December 31, 2023, the Group has contracted with a joint venture for future minimum lease receipts of RMB1.101 billion (December 31, 2022 : RMB1.198 billion). As at December 31, 2023, advance amounting to RMB7 million and RMB0.6 million (December 31, 2022: RMB7 million and RMB Nil) have been received from a joint venture in respect of the lease of properties and from an associate in respect of property management services respectively.

As at December 31, 2022, the Group had recorded pre-sales of properties totaling RMB9 million to key management and close members of their families. As at December 31, 2022, advances amounting to RMB7 million had been received from key management and close members of their families in relation to the pre-sales of properties.



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6. Seasonal operations

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

7. Segment and revenue information

The Group's reportable operating segments are as follows:

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

7.1 Reportable segment

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

Segment revenue and results

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

	GROUP			
	Revenue			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	25,854,077	15,292,562	38,138,221	24,723,066
Property investment and hotel operations	869,672	692,379	1,747,172	1,322,353
Property management	664,233	558,263	1,252,622	999,183
Others	1,201,679	830,202	2,257,406	1,667,662
Total	28,589,661	17,373,406	43,395,421	28,712,264

	GROUP			
	Profit (Loss) before income tax			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	507,453	2,145,672	3,154,369	5,221,714
Property investment and hotel operations	(221,068)	257,032	39,063	422,398
Property management	130,934	96,453	191,994	88,566
Others	(234,758)	(243,242)	(332,276)	(284,091)
Total	182,561	2,255,915	3,053,150	5,448,587



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

Segment assets

	GROUP	
	31.12.2023	31.12.2022
	RMB'000	RMB'000
Property development	95,650,741	133,051,167
Property investment and hotel operations	38,815,016	34,434,469
Property management	955,030	819,020
Others	19,313,609	20,761,184
Total assets	154,734,396	189,065,840

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

Other segment information

	GROUP			
	Depreciation			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	29,394	41,848	74,628	91,893
Property investment and hotel operations	62,866	72,306	126,565	139,068
Property management	4,921	3,541	7,728	6,205
Others	43,488	37,560	83,874	74,021
Total	140,669	155,255	292,795	311,187

	GROUP			
	Additions to non-current assets			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	78,502	395,351	224,385	1,931,545
Property investment and hotel operations	1,069,192	364,297	1,315,748	645,435
Property management	5,466	3,396	7,293	5,177
Others	29,094	91,992	72,907	118,937
Total	1,182,254	855,036	1,620,333	2,701,094



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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 FVTOCI, deferred tax assets and pledged bank deposits) by geographical location are detailed below:

	GROUP					
	Revenue from external customers				Non-current assets	
	2H 2023	2H 2022	FY 2023	FY 2022	31.12.2023	31.12.2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
PRC	27,711,540	15,764,260	41,584,542	25,547,817	36,675,259	35,172,061
Singapore	580,527	1,338,769	1,228,506	2,642,651	12,425,794	12,097,821
Others	297,594	270,377	582,373	521,796	577,701	564,526
Total	28,589,661	17,373,406	43,395,421	28,712,264	49,678,754	47,834,408

7.2 Disaggregation of Revenue

	GROUP			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services				
Income from property development				
– sales of properties	25,854,077	15,292,562	38,138,221	24,723,066
Income from hotel operations	273,676	150,217	576,124	288,405
Income from property management	664,233	558,263	1,252,622	999,183
Income from others	1,201,679	830,202	2,257,406	1,667,662
	27,993,665	16,831,244	42,224,373	27,678,316
Income from property investment				
– lease of properties	595,996	542,162	1,171,048	1,033,948
Total	28,589,661	17,373,406	43,395,421	28,712,264
Timing of revenue of recognition				
A point in time	25,593,926	14,852,593	38,093,618	23,667,888
Over time	2,399,739	1,978,651	4,130,755	4,010,428
Total	27,993,665	16,831,244	42,224,373	27,678,316



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8. (Loss) Profit for the period/year

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

	GROUP			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Net impairment losses on financial assets	1,059,497	463,510	1,062,324	465,545
Write-down of completed properties for sale and properties under development for sale ¹	1,452,529	9,476	1,452,529	9,476
Depreciation expense	140,581	154,409	292,516	309,484
Dividend income from financial assets at FVTOCI	(5,444)	(6,348)	(7,139)	(10,526)
Fair value loss on investment properties	532,730	170,996	532,730	170,996
Fair value gain on financial asset at FVTPL	(52)	(36)	(90)	(86)
Fair value loss (gain) from put liability to acquire non-controlling interests	46,143	(6,262)	46,143	(6,262)
Finance cost	700,548	608,164	1,296,215	1,132,170
Interest income	(127,802)	(268,409)	(287,632)	(436,310)
Gain on remeasurement of retained interests in joint ventures	-	(179,401)	-	(239,518)
Gain on bargain purchase	-	(4,403)	-	(4,403)
Gain on change of control from a subsidiary to an associate	(2)	-	(2)	-
Gain on repurchase of senior notes	(7,932)	(77,913)	(7,932)	(77,913)
Net gain on disposal of property, plant and equipment	(141)	(186,744)	(876)	(187,683)
Loss on disposal of subsidiaries	41,059	-	41,059	-
Loss on disposal of joint ventures	577,010	-	577,010	-
Gain on lease modification	-	(5,235)	(835)	(5,235)
Provision for development charge written-back	(25,294)	-	(25,294)	-
Loss on withdrawal of a redevelopment project	-	256,144	-	256,144
Net foreign exchange loss	69,692	22,280	88,854	38,361
Adjustments for (under) over provision of tax in respect of prior years	(44,338)	(36,537)	73,699	(30,260)

¹ Write-down of completed properties for sale and properties under development for sale was included in "Cost of sales" in the consolidated statement of profit or loss.



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9. (Loss) Earnings per share

The calculation of the basic and diluted (loss) earnings per share attributable to shareholders holding ordinary shares of the Company is based on the following data:

	GROUP			
	2H 2023	2H 2022	FY 2023	FY 2022
	RMB'000	RMB'000	RMB'000	RMB'000
<u>(Loss) Earnings</u>				
(Loss) Earnings for the purposes of basic and diluted (loss) earnings per share ((loss) profit attributable to owners of the Company)	(2,028,886)	155,595	(933,614)	1,532,562
<u>Number of shares</u>				
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	1,931,535,376	1,931,535,376	1,931,535,376	1,931,535,376
(Loss) Earnings per share (Renminbi cents):				
Basic and diluted	(105.04)	8.05	(48.34)	79.34

There is no potential dilutive ordinary share in 2H 2023 and 2H 2022 as well as FY 2023 and FY 2022.

10. Investment properties

	GROUP	
	31.12.2023	31.12.2022
	RMB'000	RMB'000
At fair value:		
Balance as at beginning of year	31,236,480	30,482,077
Additions	1,737,734	598,129
Change in fair value	(532,730)	(170,996)
Transfer to properties, plant and equipment	-	(34,446)
Transfer to properties under development for sale	-	(1,503,000)
Transfer from completed properties for sale	2,719,183	902,543
Exchange difference	438,439	962,173
Balance as at end of year	35,599,106	31,236,480

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



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

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.

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

	GROUP	
	31.12.2023	31.12.2022
	RMB'000	RMB'000
At cost:		
Properties for development (Non-current assets)	1,684,362	2,257,548
Completed properties for sale (Current assets)	12,324,425	10,709,085
Properties under development for sale (Current assets)	46,456,204	72,521,540
	60,464,991	85,488,173

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, 2022 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 December 31, 2023; June 30, 2023 and December 31, 2022, are as follows:

	31.12.2023	30.06.2023	31.12.2022
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 December 31, 2023 (June 30, 2023 : Nil; December 31, 2022 : Nil).



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13. Treasury shares

During 2H 2023, the Company did not purchase or acquire any of its ordinary shares. The number of ordinary shares of the Company held as treasury shares 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 December 31, 2023; June 30, 2023 and December 31, 2022, are as follows:

	<u>31.12.2023</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
Number of treasury shares	17,201,100	17,201,100	17,201,100
Total amount paid (RMB'000)	132,309	132,309	132,309

There were no sales, transfers, cancellation and/or use of treasury shares as at December 31, 2023 (June 30, 2023 : Nil; December 31, 2022 : Nil). The total number of issued shares of the Company excluding treasury shares as at December 31, 2023; June 30, 2023 and December 31, 2022, are as follows:

	<u>31.12.2023</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
Number of issued ordinary shares (excluding treasury shares)	1,931,535,376	1,931,535,376	1,931,535,376
Percentage of aggregate number of treasury shares held against total number of ordinary shares (excluding treasury shares)	0.9%	0.9%	0.9%

14. Borrowings and debt securities

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

	GROUP	
	<u>31.12.2023</u>	<u>31.12.2022</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Amount repayable in one year or less, or on demand:		
- Secured	3,675,485	7,980,482
- Unsecured	6,940,356	8,640,699
	<u>10,615,841</u>	<u>16,621,181</u>
Amount repayable after one year:		
- Secured	14,461,806	15,787,902
- Unsecured	8,359,606	13,004,344
	<u>22,821,412</u>	<u>28,792,246</u>
Total	<u>33,437,253</u>	<u>45,413,427</u>

Details of any collateral

Secured borrowings are generally secured by the property, plant and equipment, investment properties, completed properties for sale and properties under development for sale and pledged bank deposits.



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15. Dividends

In 2023, no dividend was declared or paid for FY 2022.

In 2022, approximately RMB616 million of dividends was declared and paid in respect of a final tax-exempt dividend of 6.80 Singapore cents (equivalent to 31.91 Renminbi cents) per ordinary share of the Company for the financial year ended December 31, 2021.

16. Net asset value

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	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 year	17.77	18.10	4.22	4.07

17. Acquisition of subsidiaries

There was no acquisition of subsidiaries in 2023.

Acquisition of subsidiaries in 2022

- On February 24, 2022, the Group acquired an additional 1% equity interest in Hangzhou Renyuan Property Development Co., Ltd. ("Hangzhou Renyuan"), which in turn owned 100% equity interest in Hangzhou Renxiang Property Development Co., Ltd. ("Hangzhou Renxiang"), for a cash consideration of approximately RMB0.5 million. Following the transaction, the Group's equity interests in both Hangzhou Renyuan and Hangzhou Renxiang had increased from 50% to 51% and Hangzhou Renyuan and Hangzhou Renxiang became 51%-owned subsidiaries of the Group.
- On May 9, 2022, the Group acquired 60% equity interest in Dongguan Jiaji Industrial Investment Co., Ltd. ("Dongguan Jiaji") by way of an increase in the registered capital of Dongguan Jiaji for an amount of RMB75 million.
- As a result of the change in co-operation agreement of Yanlord Eco Island Investments Pte. Ltd. ("Yanlord Eco Island") on April 30, 2022, the Group obtained control over Yanlord Eco Island, an entity previously held as a 51%-owned joint venture. Following the change, Yanlord Eco Island as well as its 100%-owned subsidiary, Nanjing Yanlord Jiangdao Real Estate Co., Ltd., became 51%-owned subsidiaries of the Group.
- On July 6, 2022, the Group acquired an additional 92% equity interest in Suzhou Renzhuo Real Estate Co., Ltd. ("Suzhou Renzhuo") for a cash consideration of approximately RMB80 million. Following the transaction, the Group's equity interest in Suzhou Renzhuo had increased from 8% to 100% and Suzhou Renzhuo became 100%-owned subsidiary of the Group.
- On July 21, 2022, the Group acquired an additional 95% equity interest in Shanghai Rensheng Real Estate Co., Ltd. ("Shanghai Rensheng"), which owned 51% equity interest in Shanghai Yanlord Investment Management Co., Ltd. ("Shanghai Investment") that in turn owned 100% equity interest in Shanghai Zhongting Property Development Co., Ltd. ("Shanghai Zhongting"), for a cash consideration of approximately RMB259 million. Following the transaction, the Group's equity interest(s) in Shanghai Rensheng had increased from 5% to 100% and in both Shanghai Investment and Shanghai Zhongting had increased from 51.55% to 100%. Shanghai Rensheng, Shanghai Investment and Shanghai Zhongting became 100%-owned subsidiaries of the Group.



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- (f) On August 3, 2022, the Group acquired an additional 70% equity interest in Suzhou Renjia Real Estate Co., Ltd (“Suzhou Renjia”), which in turn owned 51% equity interest in Wuxi Renxin Real Estate Co., Ltd. (“Wuxi Renxin”), for a cash consideration of RMB0.7 million. Following the transaction, the Group’s equity interests in Suzhou Renjia and Wuxi Renxin had increased from 30% to 100% and from 15.3% to 51% respectively; and Suzhou Renjia and Wuxi Renxin became 100%-owned and 51%-owned subsidiaries of the Group respectively.
- (g) On August 31, 2022, the Group acquired an additional 23.46% equity interest in Taicang Renhua Property Development Co., Ltd. (“Taicang Renhua”), which in turn owned 100% equity interest in Shanghai Qiaopu Property Development Co., Ltd. (“Shanghai Qiaopu”), for a cash consideration of approximately RMB75 million. Following the transaction, the Group’s equity interests in both Taicang Renhua and Shanghai Qiaopu had increased from 27.54% to 51%; and Taicang Renhua and Shanghai Qiaopu became 51%-owned subsidiaries of the Group.
- (h) As a result of the change in articles of association of Xingheng (Shenzhen) Investment Management Co., Ltd. (“Xingheng Investment”) on October 30, 2022, the Group obtained control over Xingheng Investment, an entity previously held as a 70%-owned joint venture. Following the change, Xingheng Investment as well as its 100%-owned subsidiary, Haikou Yanlord Property Co., Ltd., became 70%-owned subsidiaries of the Group.

In 2022, the acquisition of Dongguan Jiaji was accounted for as acquisition of assets and was out of scope of SFRS(I) 3 *Business Combinations*. The Group’s intention was to acquire the land and vacant properties held by Dongguan Jiaji and the Group did not take control over any management or operational process from the vendors as it intends to develop and sell the properties. The acquisitions of the rest of entities for which the Group acquired during 2022 were accounted for as acquisition of businesses under SFRS(I) 3.

Had the business combinations during 2022 been effected as at January 1, 2022, the Group’s revenue for FY 2022 would be RMB28.721 billion, and the profit for the year for FY 2022 would be RMB2.579 billion.

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

	GROUP
	FY 2022
	RMB’000
Non-current assets	2,103,072
Current assets	88,103,894
Non-current liabilities	(4,095,931)
Current liabilities	<u>(83,186,606)</u>
Net assets at date of acquisition	2,924,429
Non-controlling interests	<u>(2,189,791)</u>
Net assets acquired	734,638
Gain on bargain purchase and gain on remeasurement of retained interests in joint ventures	<u>(243,921)</u>
Total consideration	490,717
Cash consideration paid in previous year	(409,199)
Cash and cash equivalents acquired	<u>(4,753,342)</u>
Net cash inflow arising from acquisition of subsidiaries	<u>(4,671,824)</u>



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18. Change of control from a subsidiary to an associate

Change of control from a subsidiary to an associate in 2023

- (a) The Group relinquished control over Nanjing Xinghuiheng Enterprise Management Co., Ltd. (“Nanjing Xinghuiheng”), with effect from November 22, 2023, as a result of the disposal of 55% equity interest in Nanjing Xinghuiheng. Accordingly, Nanjing Xinghuiheng ceased to be a subsidiary of the Group and is classified as 5%-owned associate.

The following summarises the details of the change of control:

	GROUP
	FY 2023
	RMB'000
Current assets	327,204
Current liabilities	(307,208)
Net assets at date of change of control	19,996
Non-controlling interests	(7,998)
Net assets derecognised	11,998
Gain on change of control	
Consideration received in previous year	11,000
Net asset derecognised	(11,998)
Fair value of retained interest	1,000
	<u>2</u>
Net cash outflow arising from change of control	
Consideration received	-
Cash and cash equivalents derecognised	(15,087)
	<u>(15,087)</u>

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

1. Review

The condensed interim statements of financial position of the Group and the Company as at December 31, 2023 and the condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income for 2H 2023 and FY 2023 as well as 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 FY 2023 and certain explanatory notes have not been audited or reviewed by the auditors of the Company.



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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

Revenue and cost of sales

Driven by the higher average selling price (“ASP”) per square metre (“sqm”) achieved, the Group’s revenue recorded a considerable growth of 64.6% or RMB11.216 billion to RMB28.590 billion for 2H 2023 from RMB17.373 billion for 2H 2022 and 51.1% or RMB14.683 billion to RMB43.395 billion for FY 2023 from RMB28.712 billion for FY 2022. The higher ASP per sqm in 2H 2023 and FY 2023 was mainly attributable to the delivery of a higher-priced project, Yanlord Arcadia (仁恒海上源) in Shanghai. The gross floor area (“GFA”) delivered to customers in FY 2023 was higher, compared to FY 2022. The projects delivered in FY 2023 were mainly Yanlord Arcadia (仁恒海上源) in Shanghai, Yanlord Hub City (城市星徽名苑) and Riverbay Century Gardens (江湾世纪花园) in Nanjing and Moons Villa (仁恒·海明院) in Shanghai, representing 49.8%, 11.2%, 8.4% and 6.4% of the Group’s gross revenue from sales of properties in FY 2023, respectively.

Cost of sales, which mainly included land, construction and capitalised borrowing costs, increased by RMB10.807 billion to RMB24.462 billion in 2H 2023 from RMB13.655 billion in 2H 2022 and by RMB14.148 billion to RMB35.108 billion in FY 2023 from RMB20.960 billion in FY 2022. Cost of sales included write-down of completed properties for sale and properties under development for sale of RMB1.453 billion due to the estimated net realisable value was lower than the development costs for projects mainly in Shenzhen, Wuxi, Zhuhai and Chengdu, the PRC.

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 and revenue from various non-properties businesses. While the Group’s gross profit increased by 11.0% or RMB409 million to RMB4.128 billion in 2H 2023 from RMB3.719 billion in 2H 2022 and by 6.9% or RMB535 million to RMB8.287 billion in FY 2023 from RMB7.752 billion in FY 2022, gross profit margin decreased by 7.0 percentage points to 14.4% in 2H 2023 from 21.4% in 2H 2022 and decreased by 7.9 percentage points to 19.1% in FY 2023 from 27.0% in FY 2022, primarily due to the change in the composition of product-mix delivered in the current reporting periods.

Other operating income and other gains

Other operating income and other gains mainly included interest income and government subsidies. Other operating income and other gains decreased by 73.9% to RMB219 million in 2H 2023 from RMB840 million in 2H 2022 and by 62.7% to RMB425 million in FY 2023 from RMB1.139 billion in FY 2022. The decrease in other operating income and other gains in current reporting periods was primarily due to the absence of gain on remeasurement of retained interests in joint ventures, the decrease in net gain on disposal of property, plant and equipment, and the decrease in interest income compared to FY 2022.

Fair value loss on investment properties

The fair value loss on investment properties increased by RMB362 million to RMB533 million in both 2H 2023 and FY 2023 from RMB171 million compared to the corresponding periods in 2022, mainly due to the decrease in fair value of investment properties in PRC, partly offset by the increase in fair value of investments properties in Singapore.

Selling expenses

Selling expenses, which mainly included staff costs, advertising and promotion expenses, as well as intermediary agency fee, increased by RMB11 million to RMB391 million in 2H 2023 and by RMB99 million to RMB688 million in FY 2023 compared to the corresponding periods in 2022. The increase in FY 2023 was mainly due to the increase in intermediary agency fee, partly offset by the decrease in advertising and promotion expenses.



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Administrative expenses

Administrative expenses mainly comprised staff costs, depreciation expense, legal and professional fees, property management fee, entertainment expenses and net foreign exchange loss. Excluding net foreign exchange effect recorded for the periods under review, administrative expenses decreased by 25.0% or RMB243 million to RMB727 million in 2H 2023 from RMB970 million in 2H 2022 and by 18.3% or RMB300 million to RMB1.342 billion in FY 2023 from RMB1.642 billion in FY 2022. The administrative expenses in 2H 2023 and FY 2023 were lower than the corresponding periods in 2022 as a result of the decrease in staff costs and the absence of loss on withdrawal of Shenzhen Longgang District Bantian Redevelopment Project (深圳龙岗区 – 坂田城市更新项目). The net foreign exchange loss arose mainly due to conversion of different monetary currencies in ordinary course of business.

Net impairment losses on financial assets

Net impairment losses on financial assets increased by RMB596 million to RMB1.059 billion in 2H 2023 from RMB464 million in 2H 2022 and by RMB597 million to RMB1.062 billion in FY 2023 from RMB466 million in FY 2022 mainly due to the impairment losses on amount due from a joint venture and an associate as well as other receivables and deposits.

Other operating expenses

Other operating expenses increased by RMB663 million to RMB673 million in 2H 2023 from RMB10 million in 2H 2022 and by RMB668 million to RMB695 million in FY 2023 from RMB27 million in FY 2022 mainly due to loss on disposal of subsidiaries and joint ventures and the fair value loss of put liability to acquire non-controlling interests.

Finance cost

Finance cost, net of capitalised interest, increased by RMB92 million to RMB701 million in 2H 2023 from RMB608 million in 2H 2022 and by RMB164 million to RMB1.296 billion in FY 2023 from RMB1.132 billion in FY 2022. The increase in finance cost was mainly due to increase in interest rates. In accordance with the Group's accounting policy, the finance cost used to finance the development of the Group's properties would be capitalised. Hence, the finance cost recorded in the consolidated statement of profit or loss for a given period may not be reflective of the Group's actual level of borrowings.

Share of profit of joint ventures

The Group reported share of profit of joint ventures of RMB15 million in 2H 2023 and RMB48 million in FY 2023 compared to share of profit of RMB393 million in 2H 2022 and RMB687 million in FY 2022. Share of profit of joint ventures in current reporting periods was mainly contributed by share of profit of The Mansion in Park (仁恒奥体公园世纪) in Jinan and Leedon Green (绿墩雅苑) in Singapore, partly offset by the share of loss of a joint venture which recorded impairment losses on financial assets.

Profit before income tax

Profit before income tax decreased by RMB2.073 billion to RMB183 million in 2H 2023 from RMB2.256 billion in 2H 2022 and by RMB2.395 billion to RMB3.053 billion in FY 2023 from RMB5.449 billion in FY 2022 mainly due to the decrease in other operating income and other gains and share of profit of joint ventures and increase in net impairment losses on financial assets and other operating expenses, partly offset by the increase in gross profit and decrease in administrative expenses. Profit before income tax margin decreased by 12.4 percentage points to 0.6% in 2H 2023 compared to 13.0% in 2H 2022 and by 12 percentage points to 7.0% in FY 2023 from 19.0% in FY 2022.

Income tax

Income tax, which included statutory enterprise income tax, land appreciation tax ("LAT") and dividend withholding tax, increased by RMB1.233 billion to RMB2.376 billion in 2H 2023 from RMB1.144 billion in 2H 2022 and by RMB1.196 billion to RMB3.776 billion in FY 2023 from RMB2.579 billion in FY 2022. The increase was mainly due to the rise in taxable profit, the increase in LAT driven by higher revenue, and the increase in tax losses that are not expected to be utilised in future.



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(Loss) Profit for the period/year

The Group reported loss for the period of RMB2.194 billion in 2H 2023 compared to profit for the period of RMB1.112 billion in 2H 2022 and loss for the year of RMB722 million in FY 2023 compared to profit for year of RMB2.870 billion in FY 2022, mainly due to write-down to net realisable value of completed properties for sale and properties under development for sale and increase in net impairment losses on financial assets.

(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

Non-trade amounts due from joint ventures

Non-trade amounts due from joint ventures decreased to RMB1.687 billion as at December 31, 2023 from RMB1.982 billion as at December 31, 2022 mainly due to repayment from a joint venture.

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

Non-trade amounts due from non-controlling shareholders of subsidiaries increased to RMB1.576 billion as at December 31, 2023 from RMB736 million as at December 31, 2022 mainly due to distribution of surplus fund of subsidiaries to their shareholders.

Current assets

Non-trade amounts due from joint ventures

Non-trade amounts due from joint ventures decreased to RMB4.971 billion as at December 31, 2023 from RMB6.925 billion as at December 31, 2022 mainly due to repayment from joint ventures and impairment loss.

Non-current liabilities

Senior notes

Senior notes decreased to RMB3.522 billion as at December 31, 2023 from RMB6.066 billion as at December 31, 2022 as the Group's US\$400 million senior notes issued on August 27, 2019, which will mature on February 27, 2024, had been transferred to current liabilities.

Non-trade amounts due to joint ventures

Non-trade amounts due to joint venture decreased by RMB262 million to RMB164 million as at December 31, 2023 from RMB426 million as at December 31, 2022 mainly due to transfer the amount due to joint ventures within one year to current liabilities.

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

Non-trade amounts due to non-controlling shareholders of subsidiaries increased by RMB4.401 billion to RMB4.599 billion as at December 31, 2023 from RMB198 million as at December 31, 2022 mainly attributable to shareholder loans from non-controlling shareholders of subsidiaries and transfer of the amount expected to be settled after one year from current liabilities to non-current liabilities.

Current liabilities

Senior notes

Senior notes increased to RMB2.547 billion as at December 31, 2023 from RMB2.299 billion as at December 31, 2022 as the Group's US\$400 million senior notes issued on August 27, 2019, which will mature on February 27, 2024, had been transferred from non-current liabilities, partly offset by the redemption of all outstanding senior notes due in April 2023.



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

Non-trade amounts due to non-controlling shareholders of subsidiaries decreased to RMB3.622 billion as at December 31, 2023 from RMB6.103 billion as at December 31, 2022 mainly due to transfer of the amount expected to be settled after one year from current liabilities to non-current liabilities.

(c) any material changes in contribution to turnover and profits (by geographical and business segment)

Business segment

Property Development

Driven by the increase in GFA delivered and ASP achieved during the reporting period, revenue generated from property development increased by 54.3% or RMB13.415 billion to RMB38.138 billion in FY 2023 from RMB24.723 billion in FY 2022. Profit before income tax from property development decreased by 39.6% or RMB2.067 billion to RMB3.154 billion in FY 2023 from RMB5.222 billion in FY 2022, mainly due to the increase in net impairment losses on financial assets and the loss on disposal of a joint venture, the absence of gain on remeasurement of retained interests in joint ventures and the decrease in share of profit of joint ventures.

Seven new projects located in the PRC namely, Stream In Cloud (Phase 3) (溪云居·三期) in Chengdu, Yanlord Hub City (城市星徽名苑) and Yanlord International Apartments, Tower A (仁恒国际公寓·A栋) in Nanjing, Yanlord Arcadia (仁恒海上源) and Moons Villa (仁恒·海明院) in Shanghai, Yanlord Central Lake (Phase 1) (仁恒时代天镜·一期) in Taicang and Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园·一期) in Yancheng, collectively contributed 78.3% to the Group's gross revenue from sales of properties in FY 2023.

Property Investment and Hotel Operations

Revenue from property investment and hotel operations segment, which mainly included rental income and hotel operation income, increased by 32.1% or RMB425 million to RMB1.747 billion in FY 2023 from RMB1.322 billion in FY 2022.

Profit before income tax decreased by 90.8% to RMB39 million in FY 2023 from RMB422 million in FY 2022 mainly due to the increase in fair value loss on investment properties and the absence of gain on disposal of UE BizHub CENTRAL in Singapore, partly offset by increase in gross profit.

Property Management

Revenue from property management increased by 25.4% to RMB1.253 billion in FY 2023 from RMB999 million in FY 2022 mainly due to an increase in income from provision of property management services riding on increase in property area under management in current financial year under review.

Profit before income tax increased by RMB103 million to RMB192 million in FY 2023 from RMB89 million in FY 2022 in line with the increase in revenue.

Others

Revenue from other segment increased by 35.4% or RMB590 million to RMB2.257 billion in FY 2023 from RMB1.668 billion in FY 2022 mainly attributable to increase in income from supply and installation of building materials, distribution and corporate services.

Loss before income tax increased by RMB48 million to RMB332 million in FY 2023 from RMB284 million in FY 2022 mainly due to decrease in gain on repurchase of senior notes and increase in finance cost.



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Geographical segment

Revenue from customers in PRC increased by RMB16.037 billion to RMB41.585 billion in FY 2023 from RMB25.548 billion in FY 2022, attributable by the increase in revenue from sales of properties.

Revenue from customers in Singapore decreased by RMB1.414 billion to RMB1.229 billion in FY 2023 from RMB2.643 billion in FY 2022, mainly due to decrease in revenue from sales of properties of Dairy Farm Residences in Singapore.

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**

Based on data published by the National Bureau of Statistics on January 17, 2024, the total investment in residential development in the PRC real estate sector decreased by 9.3% to RMB8.382 trillion in 2023 compared to 2022. Local authorities and financial institutions have been relaxing home purchase restrictions and mortgage control policies alongside with interest rate cuts in 2023 to stimulate property sales. The national primary residential property sales recorded at approximately RMB10.299 trillion on a total GFA of 948 million sqm for 2023, a decrease of 6.0% and 8.2% respectively, compared to 2022. National new completion of residential developments increased by 17.2% in GFA in 2023 compared to 2022.

For FY 2023, the property contracted pre-sales of the Group together with its joint ventures and associates was approximately RMB32.352 billion on a total contracted GFA of 1,237,468 sqm, a decrease of 52.2% and 13.7% respectively compared to FY 2022. For FY 2023, the total contracted pre-sales of other property development projects under the Group's project management business bearing the "Yanlord" brand name was approximately RMB1.584 billion. As at December 31, 2023, the Group together with its joint ventures and associates reported an accumulated property contracted pre-sales of RMB68.212 billion on a total GFA of approximately 2.0 million sqm, which are pending recognition in the first half of the financial year ending December 31, 2024 and beyond. The Group together with its joint ventures and associates will continue to launch new projects for pre-sales in accordance with their development schedule. This would include launching of new projects and new batches of existing projects in the first half of 2024, namely:



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- Yangtze River Delta: Suhe Century (晋元华庭) in Shanghai; Yanlord Phoenix Hill (Phase 1) (凤凰山居，一期), SKY LAND (城市星皓雅园), The Times Garden (江和花园) and Nanjing Jiangning No. 2022G93 Land (南京江宁 2022G93 号地块) in Nanjing; Park In City (江湾茗湖雅园) in Yangzhou; STARRY BAY (滨湖湾), Yanlord PRELAND (Phase 1) (仁恒·叙澜庭，一期) and XI TANG (溪棠四季花园) in Suzhou; RIVER PARK (仁恒·紫琅世纪) in Nantong; Marina One (清源听澜居), Tang Song (山棠雅园) and THE ALTSTADT (Phase 1) (耕读锦绣院，一期) in Wuxi;
- Bohai Rim: Star Century (恒美雅苑) and Yilu Gardens (依潞花园) in Tianjin;
- Western China: Stream In Cloud (Phase 3) (溪云居，三期) in Chengdu;
- Greater Bay Area: Yanlord The Great Bay (Phase 1 and 2) (仁恒滨海湾花园，一及二期) in Zhuhai;
- Central China: Yanlord Elegant Villa (仁恒西湖山居) in Wuhan; and
- Hainan: Yanlord Gardens (Phase 2) (仁恒滨江园，二期) and PUTTING LAND (Phase 1) (长天云汀，一期) in Haikou.

In view of the adaptable pre-sales performance, Yanlord, with its high-quality landbank and strong brand recognition, will remain focus on its existing business strategies to serve the demand for high-quality residential development in the PRC. In addition, barring any significant deterioration in the global economy and any other unforeseen circumstances like policy fine-tunes in specific cities, and to better mitigate potential volatilities, the Group will strive to maintain its healthy cash position with prudent financial policies to support its sustainable growth and development.

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 epidemic or pandemic. Accordingly, forward-looking statements are not, and should not be construed as a representation as to the future performance of the Group. The past performance of the Group is not indicative of future performance as well.

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

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



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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.

- (a) No dividend is recommended for FY 2023.
- (b) No dividend had been recommended for FY 2022.
- (c) Not applicable.
- (d) Not applicable.
- (e) 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 financial year under review. Uncertainty continued to exist in the PRC real estate sector arising from continued volatilities in the global economy and austerity measures promulgated by the PRC central government. While the Group has cash and cash equivalents of RMB13.007 billion as at December 31, 2023, as it reported a net loss for the year of RMB722 million for FY 2023, it will not declare or pay any dividend for FY 2023.

8. General Mandate from shareholders for 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 has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) in compliance with Rule 720(1) of the Listing Manual.



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10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Zhong Sheng Jian	65	Father of Zhong Ming, the Executive Deputy Chairman, and Zhong lek Ka, an Executive Director, and uncle of Zhong Siliang, an Executive Director	<u>Yanlord Land Group Limited</u> : Chairman and Chief Executive Officer since 1993. Responsible for overall management and strategic development of the Group.	NA
Zhong Ming	37	Son of Zhong Sheng Jian, the Chairman and Chief Executive Officer and a substantial shareholder of the Company; and brother of Zhong lek Ka, an Executive Director	<u>Yanlord Land Group Limited</u> : Executive Deputy Chairman since 2023. <u>Principal subsidiary</u> : <u>(i) Shanghai Zhongting</u> Director since 2016.	Appointed as the Executive Deputy Chairman on April 25, 2023
Zhong Siliang	46	Nephew of Zhong Sheng Jian, the Chairman and Chief Executive Officer and a substantial shareholder of the Company	<u>Yanlord Land Group Limited</u> : Executive Director since 2006.	NA
Zhong lek Ka	33	Son of Zhong Sheng Jian, the Chairman and Chief Executive Officer and a substantial shareholder of the Company; and brother of Zhong Ming, the Executive Deputy Chairman	<u>Yanlord Land Group Limited</u> : Executive Director since 2020.	NA



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Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Wei Lijing	50	Niece of Zhong Sheng Jian, the Chairman and Chief Executive Officer and a substantial shareholder of the Company	Principal subsidiaries: (i) <u>Nanjing Yanlord Jiangdao Real Estate Co., Ltd.</u> : Director, Chairman of the Board of Directors and Legal Representative since 2022. (ii) <u>Shanghai Zhongting</u> : Director, Chairman of the Board of Directors and Legal Representative since 2022.	NA

NA: Not applicable

ON BEHALF OF THE BOARD

Zhong Sheng Jian
Chairman and Chief Executive Officer

Zhong Ming
Executive Deputy Chairman

February 27, 2024