

英利国际
YING LI INTL

Ying Li International Real Estate Limited

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199106356W)

Unaudited Condensed Interim Consolidated Financial Statements
For the six months ended 30 June 2021

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A. Unaudited condensed interim consolidated statements of profit or loss and other comprehensive income

	Note	Group		Increase / (Decrease) %
		6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000	
Revenue	4	112,937	77,649	45.4%
Cost of sales		(33,820)	(26,898)	25.7%
Gross profit		79,117	50,751	55.9%
Other income	6	8,033	13,728	(41.5%)
Selling expenses		(18,074)	(16,166)	11.8%
Administrative expenses		(47,001)	(42,971)	9.4%
Finance costs		(66,398)	(77,565)	(14.4%)
Other losses - net	6	(39,208)	(24,002)	63.4%
Loss before taxation		(83,531)	(96,225)	(13.2%)
Taxation	7	(14,277)	(1,699)	740.3%
Net loss for the financial period, net of tax		(97,808)	(97,924)	(0.1%)
Other comprehensive income				
<u>Item that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Currency translation differences arising from consolidation (net)		43,799	18,500	136.8%
Total comprehensive loss for the period		(54,009)	(79,424)	(32.0%)
Net loss attributable to:				
Ordinary shareholders of the Company		(93,531)	(97,364)	(3.9%)
Non-controlling Interests		(4,277)	(560)	663.8%
		(97,808)	(97,924)	(0.1%)
Total comprehensive loss attributable to:				
Ordinary shareholders of the Company		(49,732)	(78,864)	(36.9%)
Non-controlling Interests		(4,277)	(560)	663.8%
		(54,009)	(79,424)	(32.0%)
Loss per share for net loss for the period attributable to ordinary shareholders of the Company				
Basic loss per share (RMB)	8	(0.037)	(0.038)	
Diluted loss per share (RMB)	8	(0.037)	(0.038)	

B. Unaudited condensed interim consolidated statements of financial position

	Note	Group		Company	
		30 June 2021 RMB'000	31 December 2020 RMB'000	30 June 2021 RMB'000	31 December 2020 RMB'000
ASSETS					
Current assets:					
Development properties	11	1,042,990	1,055,780	-	-
Trade and other receivables	10	454,778	459,580	2,692,888	2,721,052
Cash and cash equivalents		680,353	757,838	76,057	97,225
		<u>2,178,121</u>	<u>2,273,198</u>	<u>2,768,945</u>	<u>2,818,277</u>
Non-current assets:					
Property, plant and equipment	13	34,245	35,745	8	13
Investment in subsidiaries		-	-	2,966,325	2,966,325
Investment properties	14	4,125,907	4,128,528	-	-
Financial asset, at fair value through profit or loss ("FVPL")	12	769,799	769,799	-	-
Deferred income tax assets		27,529	27,529	-	-
		<u>4,957,480</u>	<u>4,961,601</u>	<u>2,966,333</u>	<u>2,966,338</u>
Total assets		<u>7,135,601</u>	<u>7,234,799</u>	<u>5,735,278</u>	<u>5,784,615</u>
LIABILITIES					
Current liabilities:					
Trade and other payables	15	1,000,118	875,400	2,030,529	1,915,777
Provision for taxation		179,630	180,085	-	-
Borrowings	16	380,143	377,919	440,652	447,068
Provisions	17	385,984	378,099	-	-
		<u>1,945,875</u>	<u>1,811,503</u>	<u>2,471,181</u>	<u>2,362,845</u>
Non-current liabilities:					
Deferred income tax liabilities		545,222	531,114	-	-
Borrowings	16	2,215,211	2,272,893	-	-
		<u>2,760,433</u>	<u>2,804,007</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>4,706,308</u>	<u>4,615,510</u>	<u>2,471,181</u>	<u>2,362,845</u>
NET ASSETS		<u>2,429,293</u>	<u>2,619,289</u>	<u>3,264,097</u>	<u>3,421,770</u>
EQUITY					
Capital and reserves:					
Share capital	18	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve		(2,034,754)	(2,034,754)	-	-
Statutory common reserve		91,018	91,018	-	-
Convertible bonds reserve		42,458	42,458	42,458	42,458
Perpetual convertible securities		878,970	878,970	878,970	878,970
Translation reserve		25,229	(18,570)	(3,447)	(17,354)
Accumulated losses		(602,358)	(372,840)	(1,682,256)	(1,510,676)
Equity attributable to ordinary shareholders of the Company		<u>2,428,935</u>	<u>2,614,654</u>	<u>3,264,097</u>	<u>3,421,770</u>
Non-controlling interest		358	4,635	-	-
TOTAL EQUITY		<u>2,429,293</u>	<u>2,619,289</u>	<u>3,264,097</u>	<u>3,421,770</u>

C. Unaudited condensed interim statements of changes in equity (continued)

Company	Share capital RMB'000	Convertible bonds reserve RMB'000	Translation reserve RMB'000	Perpetual convertible securities RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Balance at 31 December 2020	4,028,372	42,458	(17,354)	878,970	(1,510,676)	3,421,770
Total comprehensive loss for the period	-	-	13,907	-	(35,593)	(21,686)
Perpetual convertible securities interest	-	-	-	-	(135,987)	(135,987)
Balance at 30 June 2021	4,028,372	42,458	(3,447)	878,970	(1,682,256)	3,264,097
Balance at 31 December 2019	4,028,372	42,458	(21,055)	878,970	(1,177,448)	3,751,297
Total comprehensive loss for the period	-	-	(3,066)	-	(47,330)	(50,396)
Perpetual convertible securities interest	-	-	-	-	(110,352)	(110,352)
Balance at 30 June 2020	4,028,372	42,458	(24,121)	878,970	(1,335,130)	3,590,549

D. Unaudited Condensed interim consolidated statements of cash flows

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Operating activities		
Loss before taxation	(83,531)	(96,225)
Adjustments for:		
Depreciation of property, plant and equipment	1,373	1,569
Amortisation of other non-current assets	2,621	2,945
Interest expense	66,398	77,565
Interest income	(6,391)	(8,169)
Provision for potential penalties of development projects	7,885	-
Loss/(gain) on disposal of property, plant and equipment	240	(109)
Unrealised exchange loss	22,649	23,560
Operating profit before working capital changes	11,244	1,136
Change in development properties	12,791	10,805
Change in trade and other receivables	3,748	1,495
Change in trade and other payables	3,606	(23,053)
Cash generated from/(used in) operations	31,389	(9,617)
Interest paid	(67,843)	(67,580)
Interest received	7,445	8,169
Income tax paid	(205)	-
Net cash used in operating activities	(29,214)	(69,028)
Cash flow from investing activities		
Purchase of property, plant and equipment	(116)	(480)
Disposal of property, plant and equipment	3	333
Net cash used in investing activities	(113)	(147)
Cash flow from financing activities		
Bank balance subject to restriction	27,000	11,969
Proceed from loans and borrowings	-	123,056
Repayment of borrowings	(46,485)	(194,246)
Net cash used in financing activities	(19,485)	(59,221)
Net decrease in cash and cash equivalents	(48,812)	(128,396)
Effects of exchange rate changes on cash and cash equivalents	(1,673)	(2,620)
Cash and cash equivalents at beginning of period	388,151	622,702
Cash and cash equivalents at end of period	337,666	491,686
Restricted cash	342,687	367,827
Cash and cash equivalents in the consolidated statements of financial position	680,353	859,513

E. Notes to the unaudited condensed interim financial statements

1. General information

Ying Li International Real Estate Limited (the “Company”) is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “Singapore Exchange” or “SGX-ST”) and incorporated and domiciled in Singapore. These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are:

- (a) Property development;
- (b) Mall and property management;
- (c) Property consultancy, sale, marketing and management;
- (d) Commercial property management and leasing services; and
- (e) Others - Investment holding

COVID-19 pandemic and the aftermath

The COVID-19 pandemic has affected almost all countries in the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group’s significant operations are in People’s Republic of China (“PRC”), all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements for the financial period ended 30 June 2021:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) The Group has considered the market conditions (including the impact of COVID-19) as at the end of the financial period, in making estimates and judgements on the assessment of fair value of investment properties and financial asset, at FVPL as at 30 June 2021.
- (iii) The Group has considered the market conditions (including the impact of COVID-19) as at the end of the financial period, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 30 June 2021.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021.

2. Basis of preparation

The unaudited condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and its performance of since the last annual financial statements for the financial year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) as indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the unaudited condensed interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – Classification of financial asset, at FVPL
- Note 14 – Classification of investment properties

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

Property investment	:	Leasing of investment properties to generate rental income and to gain from the appreciation in the value of the properties in the long term
Property development	:	Development and sales of residential, commercial and other types of properties
Others	:	Mainly related with corporate office functions and investment holding

These operating segments are reported in a manner consistent with the internal reporting provided to the executive committee for allocation resources and assessing performance.

4.1. Reportable segments

	<u>Property investment</u> RMB'000	<u>Property development</u> RMB'000	<u>Others</u> RMB'000	<u>Consolidated</u> RMB'000
<u>1 January 2021 to 30 June 2021</u>				
Revenue				
Total segment sales	91,804	21,133	-	112,937
Segment results	50,707	(23,455)	(52,178)	(24,926)
Interest income	-	-	6,391	6,391
Sundry income	193	-	1,449	1,642
Loss on disposal of property, plant and equipment	-	-	(240)	(240)
Adjusted EBIT	50,900	(23,455)	(44,578)	(17,133)
Depreciation of property, plant and equipment	-	-	1,373	1,373
As at 30 June 2021				
Segment assets	4,160,385	2,164,326	810,890	7,135,601
Segment assets includes:				
Additions to:				
- Property, plant and equipment	-	-	116	116
Segment liabilities	2,017,069	754,997	1,934,242	4,706,308
	<u>Property investment</u> RMB'000	<u>Property development</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
<u>1 January 2020 to 30 June 2020</u>				
Revenue				
Total segment sales	68,301	9,348	-	77,649
Segment results	13,636	(1,975)	(44,158)	(32,497)
Interest income	-	-	8,169	8,169
Sundry income	2,998	2,312	249	5,559
Gain on disposal of property, plant and equipment	-	-	109	109
Adjusted EBIT	16,634	337	(35,631)	(18,660)
Depreciation of property, plant and equipment	-	-	1,569	1,569
As at 30 June 2020				
Segment assets	4,193,331	2,352,257	1,017,632	7,563,220
Segment assets includes:				
Additions to:				
- Property, plant and equipment	-	-	480	480
Segment liabilities	2,124,231	806,495	1,818,546	4,749,272

4.2 Disaggregation of Revenue

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Property development		
Revenue from contracts with customers		
– PRC		
Sales of completed properties held for sale – at a point in time	21,133	9,348
Property investment		
Rental income – PRC	91,804	68,301
	112,937	77,649

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Note	Group	
		30 June 2021 RMB'000	31 December 2020 RMB'000
Financial Assets			
Financial asset, at FVPL	12	769,799	769,799
Cash and bank balances		680,353	757,838
Trade and other receivables	10	331,348	329,831
		1,781,500	1,857,468
Financial Liabilities			
Trade and other payables	15	944,801	816,438
Borrowings	16	2,595,354	2,650,812
Provisions	17	385,984	378,099
		3,926,139	3,845,349

6. Loss before taxation

6.1. Significant items

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Other income		
Interest income	6,391	8,169
Sundry income	1,642	5,559
	8,033	13,728
Other losses - net		
Foreign exchange loss - net	(22,817)	(16,869)
(Loss)/gain on disposal and write-off of property, plant and equipment	(240)	109
Provision for potential penalties of development projects	(7,885)	-
Accruals for payables of development projects	(8,209)	(6,635)
Other losses - net	(57)	(607)
	(39,208)	(24,002)

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Other expenses by nature		
Interest on borrowings	66,398	77,565
Depreciation of property, plant and equipment	1,373	1,569
Amortisation of other non-current assets	2,620	2,945
Employment compensation	23,581	23,483
	<u>23,581</u>	<u>23,483</u>

6.2. Related party transactions

Other than as disclosed elsewhere in the financial statements, material transactions with related parties based on terms agreed between the parties are as follows:

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Management fees and related costs charged by a joint venture of controlling shareholder	1,500	2,881
Provision of distribution on perpetual convertible securities payable to controlling shareholder	135,987	110,352
	<u>135,987</u>	<u>110,352</u>

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the unaudited condensed interim consolidated statements of profit or loss are:

	Group	
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000
Current income tax expense	169	1,127
Deferred income tax expense relating to origination and reversal of temporary differences	14,108	572
	<u>14,277</u>	<u>1,699</u>

8. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
Net loss attributable to ordinary shareholders of the Company (RMB'000)	(93,531)	(97,364)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,557,040	2,557,040
Basic loss per share (RMB per share)	<u>(0.037)</u>	<u>(0.038)</u>

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As the effect is anti-dilutive, the diluted loss per share is the same as the basic loss per share.

9. Net asset value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value attributable to ordinary shareholders of the Company (RMB'000)	2,428,935	2,614,654	3,264,097	3,421,770
Number of shares issued ('000)	2,557,040	2,557,040	2,557,040	2,557,040
Net asset value per ordinary shares (RMB per share)	0.95	1.02	1.28	1.34

10. Trade and other receivables

	Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Trade receivables	32,581	30,964
Other receivables:		
- Refundable deposits	17,254	17,236
- Proceed receivable from disposal of subsidiaries/land	262,710	262,710
- Other receivables	18,803	18,921
Financial assets at amortised cost	331,348	329,831
Advances to sub-contractor and vendors	4,012	4,363
Prepayments	71,686	77,883
Prepaid tax	47,732	47,503
Total trade and other receivables	454,778	459,580

11. Development properties

	Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Completed properties held for sale	920,578	933,368
Properties for development	122,412	122,412
	1,042,990	1,055,780

12. Financial assets, at FVPL

	Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Unquoted investment in limited partnership at FVPL		
Beginning of financial year	769,799	869,799
Fair value loss	-	(100,000)
End of financial period	769,799	769,799

Unquoted investment in limited partnership relates to a subsidiary's investment of RMB559 million (at cost) to subscribe for 26% of the subordinated shares in Shanghai Zhaoli Investment Centre (LLP) where it invested directly in Shanghai Sheng Ke Investment Centre (LLP) which in turn owns the project companies holding the Beijing Tongzhou Project.

The unquoted investment in limited partnership is carried at fair value at the end of every financial year is based on valuation performed by international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial assets being valued. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between Management and the independent valuer annually.

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Level 3 RMB'000
30 June 2021	
Financial asset, at FVPL	769,799
31 December 2020	
Financial asset, at FVPL	769,799

13. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to RMB116,000 (30 June 2020: RMB480,000) and disposed assets amounting to RMB3,000 (30 June 2020: RMB333,000).

14. Investment properties

The Group's investment properties consist of both office and commercial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Leasehold properties:		
Beginning of financial year	4,122,220	4,151,210
Sales of investment properties	-	(9,990)
Fair value loss	-	(19,000)
End of financial period	4,122,220	4,122,220
Deferred lease incentives	3,687	6,308
Total investment properties	<u>4,125,907</u>	<u>4,128,528</u>

Fair value hierarchy - Recurring fair value measurement

<u>Description</u>	<u>Quoted prices in active markets for identical assets (Level 1) RMB'000</u>	<u>Significant other observable inputs (Level 2) RMB'000</u>	<u>Significant unobservable inputs (Level 3) RMB'000</u>
30 June 2021			
- Retail, office and car parks - PRC	-	-	4,122,220
31 December 2020			
- Retail, office and car parks - PRC	-	-	4,122,220

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the property's highest and best use. As at 31 December 2020, the fair values of the properties have been determined by international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial asset being valued. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between Management and the independent valuer annually.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair values of the Group's properties have been derived using the direct comparison approach and discounted cash flow on property basis. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as location, building age and size. The most significant input in this valuation approach is the reference to market evidence of transaction prices for similar properties and the rental income of the properties and were performed in accordance with International Valuation Standards and the Royal Institution of Chartered Surveyors' Global Valuation Standards.

15. Trade and other payables

	Group	
	30 June 2021	31 December 2020
	RMB'000	RMB'000
Trade payables	112,193	101,030
Other payables:		
- Non-related parties	140,217	144,114
- Related party	479,157	372,329
Accrued expenses	82,028	84,761
Deposits received	43,827	43,097
Other tax payables	87,379	71,107
Financial liabilities, at amortised cost	944,801	816,438
Advances received from lessees	23,215	17,526
Contract liabilities	32,102	41,436
Total trade and other payables	1,000,118	875,400

16. Borrowings

	Group	
	30 June 2021	31 December 2020
	RMB'000	RMB'000
<u>Amount repayable within one year</u>		
Bank borrowings (secured)	218,663	214,800
Bank notes (unsecured)	161,480	163,119
	380,143	377,919
<u>Amount repayable after one year</u>		
Bank borrowings (secured)	2,215,211	2,272,893
Total borrowings	2,595,354	2,650,812

The borrowings of the Group are secured over certain investment properties, development properties, intra-group corporate guarantees and bank balances of the Group.

17. Provisions

	Group	
	30 June 2021	31 December 2020
	RMB'000	RMB'000
<u>Current</u>		
Provision on litigation cases	337,777	337,777
Provision on penalties	48,207	40,322
Total	385,984	378,099

18. Share capital

	Group and Company	
	Number of shares	Amount RMB'000
30 June 2021 and 31 December 2020		
Beginning and end of periods	2,557,040,024	4,028,372

Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Perpetual Subordinated Convertible Callable Securities ("Perpetual Convertible Securities")

On 17 October 2014, the Company had issued S\$165,000,000 in aggregate principal amount of Tranche 1 Perpetual Convertible Securities and S\$20,000,000 in aggregate principal amount of Tranche 2 Perpetual Convertible Securities to Everbright Hero Mauritius Limited, the nominee of Everbright Hero Holdings Limited pursuant to a subscription agreement dated 30 June 2014.

The number of shares that may be issued on conversion of the outstanding securities at the end of the period:

	As at 30 June 2021	As at 30 June 2020
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding securities at the end of the period	581,761,006	581,761,006

No conversion of the securities into Shares has taken place since the date of issuance. The Exercise Price of the Convertible Securities is S\$0.318 per Share.

The Company did not hold any treasury shares as at 30 June 2021 (30 June 2020: Nil).

None of the subsidiaries held shares in the Company as at 30 June 2021 (30 June 2020: Nil).

- (i) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 30 June 2021 was 2,557,040,024 (30 June 2020: 2,557,040,024).

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

Not applicable.

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

Not applicable.

19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of unaudited condensed consolidated interim financial statements.

**F. Other Information Required by Listing Rule
Appendix 7.2**

OTHER INFORMATION

1. Review

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

The condensed interim consolidated statements of financial position of Ying Li International Real Estate Limited and its subsidiaries as at 30 June 2021 ("1H2021") and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statements of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

c. 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 material uncertainty relating to going concern.

Not applicable.

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

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

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to the unaudited condensed interim financial statements of the Group for the six months ended 30 June 2021.

Unaudited Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of completed properties is driven by project hand-over. Consequently, the interim financial results may not be a good indication of profitability trend.

Revenue

	6 months ended 30 June 2021 RMB'000	Group 6 months ended 30 June 2020 RMB'000	Increase / (Decrease) %
Sales of completed properties	21,133	9,348	126.1%
Rental Income	91,804	68,301	34.4%
	112,937	77,649	45.4%

Revenue for the 6 months increased by 45.4% Y-o-Y, or RMB35.3 million to RMB112.9 million (1H2020: RMB77.6 million), due to increase in sales of completed properties by RMB11.8 million and rental income by RMB 23.5 million.

Revenue from the sales of completed properties increased by 126.1% Y-o-Y, or RMB11.8 million, to RMB21.1 million (1H2020: RMB9.3 million), mainly attribute to more commercial units at Ying Li International Hardware and Electrical Centre ("IEC") being sold and handed over in 1H2021.

Revenue from rental income increased by 34.4% Y-o-Y or RMB23.5 million to RMB91.8 million (1H2020: RMB68.3 million), lower rental income recognised 1H2020 due to the temporary closure of retail malls and retail spaces and affected by rental reliefs to support tenants business recovery. Rental income and occupancy rate of shopping malls gradually increased after the COVID-19 outbreak.

Gross profit and gross profit margin

	Group			
	6 months ended 30 June 2021		6 months ended 30 June 2020	
	RMB'000	%	RMB'000	%
Sales of completed properties	7,699	36.4%	2,797	29.9%
Rental income	71,418	77.8%	47,954	70.2%
	79,117	70.1%	50,751	65.4%

Gross profit of the Group for 1H2021 increased by 55.9% Y-o-Y or RMB28.4 million, to RMB79.1 million (1H2020: RMB50.7 million) in tandem with the increase in revenue.

Overall gross profit margin for 1H2021 increased by 4.7%, to 70.1% (1H2020: 65.4%), primarily due to the effect of rental reliefs in 1H2020.

Other income

Other income for 1H2021 decreased by 41.5% Y-o-Y or RMB5.7 million, to RMB8.0 million (1H2020: RMB13.7 million), mainly due to lesser fixed deposits interest income and sundry income earned in 1H2021.

Selling expenses

Selling expenses for 1H2021 increased by 11.8% Y-o-Y or RMB1.9 million, to RMB18.1 million (1H2020: RMB16.2 million), mainly due to an increase in variable components of selling expense which was consistent with the increased in revenue of 1H2021.

Administrative expenses

For 1H2021, administrative expenses increased by 9.4% Y-o-Y or RMB4.0 million, to RMB47.0 million (1H2020: RMB43.0 million), mainly due to an increase in legal and professional fees incurred in 1H2021.

Finance costs

Finance costs in 1H2021 decreased by 14.4% Y-o-Y or RMB11.2 million to RMB66.4 million (1H2020: RMB77.6 million), mainly due to lower weighted average interest rates in 1H2021 and a decrease in outstanding loan principal as a result of repayment made in 1H2021.

Other losses – net

Other losses for 1H2021 increased by RMB15.2 million, mainly due to the increase in unreleased foreign currency exchange losses and additional provision for potential penalties of development projects.

Taxation

Tax expenses for 1H2021 increased by RMB12.6 million as compared to 1H2020. This was due to forfeited deferred income tax assets in 1H2021.

Net loss attributable to ordinary shareholders of the Company

	Group		
	6 months ended 30 June 2021 RMB'000	6 months ended 30 June 2020 RMB'000	Increase / (Decrease) %
Net loss attributable to:			
Ordinary shareholders of the Company	(93,531)	(97,364)	(3.9%)
Non-controlling interest	(4,277)	(560)	663.8%
	(97,808)	(97,924)	(0.1%)

The Group reported a net loss attributable to the ordinary shareholders of the Company amounting to RMB93.5 million in 1H2021, mainly due to the recognition of higher revenue as well as the Group's performance which has slightly recovered from the COVID-19 shock as compared with 1H2020.

Unaudited Condensed Interim Consolidated Statements of Financial Position

Total assets of the Group decreased by 1.4% or RMB99.2 million, to RMB7,135.6 million (31 December 2020: RMB7,234.8 million), mainly due to a decrease in development properties of RMB12.8 million arising from the handover of completed properties to purchasers, a decrease in cash and cash equivalents of RMB77.5 million mainly from the repayment of debts and interest.

The Group's total liabilities increased by 2.0% or RMB90.8 million, to RMB4,706.3 million (31 December 2020: RMB4,615.5 million), mainly due to an increase in trade and other payable of RMB124.7 million and provisions of RMB7.9 million, offset against a decrease in bank loan of RMB55.5 million as a result of loan principal repayments.

The Group's total equity decreased by RMB190.0 million to RMB2,429.3 million (31 December 2020: RMB2,619.3 million), mainly due to an increase in accumulated losses of RMB229.5 million, offset by a decrease in translation deficit of RMB43.8 million.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

In 1H2021, the decrease in unrestricted cash and cash equivalent of RMB48.8 million was mainly due to:

- i) net cash outflow of RMB29.2 million from operating activities;
- ii) net cash outflow of RMB0.1 million from investing activities; and
- iii) net cash outflow of RMB19.5 million from financing activities.

The net cash outflow from operating activities of RMB29.2 million was mainly attributable from cash from operating before working capital changes of RMB3.4 million, a decrease in development property of RMB12.8 million, a decrease in trade and other receivables of RMB3.7 million and an increase in trade and other payables of RMB11.5 million, offset by net interest paid of RMB60.4 million.

Net cash used in financing activities of RMB19.5 million was due to the net repayment of borrowings amounting to RMB46.5 million, offset by a decrease in restricted deposits with financial institutions amounting to RMB27.0 million.

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

The results announced are in line with the previous comments by the Board of Directors.

4. 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.

Outlook

China economic growth registered a strong rebound at 12.7% YOY in the first half of 2021. The Chinese government has set an economic growth target of above 6% for 2021 after it grew by 2.3% in 2020.

In March 2021, China announced its 14th Five-year plan for 2021-2025 that aims to strengthen its domestic economy and improve its economic resilience, emphasize quality development, self-reliance in the development and adoption of advanced technology. Digitalisation, Sustainability & Environmental protection are the key themes.

To guard against excessive property speculation in the market, the Chinese authorities have stepped up control measures such as restricting debt financing to property developer, capping banks' lending to the real estate sector and increasing mortgage rates.

This has led to a weak demand in the residential market. China's new home prices, slowing for the first time since November last year on a month-on-month basis, where average new home prices in 70 major cities grew 0.5% in June from a month earlier, down from a 0.6% rise in May, as shown by Reuters calculations in July 2021, based on data released by NBS.

Furthermore, there has been a new onslaught of regulatory actions in China on digital platform companies in areas of finance, vehicle hiring, online-gaming and private education/tuition that add uncertainties in the market and may impact the property leasing market in China.

Against the backdrop of the evolving macro-economic challenges, the Group has undertaken a strategic review in calibrating our business model, direction shifting from asset heavy to asset light, property management service in order to mitigate the impact of regulatory control over the real estate development sector, offload non-core property assets and to identify emerging growth opportunities not related to residential, office and retail property development, but yet, is in line with the 14th Five-year (2021-2025) development plan.

On the retail rental segment, retailers are looking to improve consumer engagement through additional touchpoints and more meaningful experiences to enhance differentiation in an increasingly competitive retail market. Hence the Group continues to closely monitor new retail trends and create new retail concepts with our tenants so that our retail properties continue to be relevant and refreshing to our targeted group of consumers at various locations.

On the office rental segment, the Group continues to focus on improving rental yield by attracting new business tenants and retaining quality tenants.

5. Dividend

a. Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared or recommended.

b. (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No interim dividend was declared or recommended in the previous corresponding period.

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).

Not applicable.

d. The date the dividend is payable.

Not applicable.

e. The date on which Registrable Transfer received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6. 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 current financial period as it is loss making.

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

The Group has not obtained a general mandate from shareholders for interested person transactions.

8. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under SGX Listing Rule 720(1) of the Listing Manual.

The Group has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Yang Haishan

Non-Executive and Non-Independent Director
12 August 2021