



**YANLORD LAND GROUP LIMITED**  
(Incorporated with limited liability in the Republic of Singapore)  
(Registration Number: 200601911K)

**ANNUAL GENERAL MEETING TO BE HELD ON 29 JUNE 2020**  
- **RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS**

Yanlord Land Group Limited (the “Company” or “Yanlord” and together with its subsidiaries, the “Group”) refers to the Company’s Annual General Meeting to be held by electronic means on 29 June 2020 (“2020 AGM”) and the Notice of 2020 AGM dated 5 June 2020 setting out, *inter alia*, the alternative arrangements for the conduct of 2020 AGM amid COVID-19 situation; in particular, the invitation for Shareholders to submit questions related to the resolutions proposed to be passed at the 2020 AGM in advance to the Company.

The Company would like to thank Shareholders for submitting your questions in accordance with the prescribed arrangement and are pleased to set out below the Company’s response to questions received from the Shareholders. For ease of reference, questions which are similar in nature or pertain to the same subject matter have been grouped together.

No.	Question	Response
1	<u>COVID-19 impact</u>	
1.1	How is the COVID-19 impact on China and Singapore business?	The outbreak of the pandemic has resulted in the lockdown of cities and closure of borders, which inevitably impacted the performance and outlook of global economies in the near term.
1.2	How has COVID-19 affected our hospitality business in China under Investment Properties (i.e. Serviced Residences and the Crowne Plaza Sanya)?	Nevertheless, we are seeing tremendous progress made by the People’s Republic of China (“PRC”) in resuming business activities across the country, with the introduction of a series of monetary and fiscal policies to stimulate the economy while containing the spread of COVID-19.  <b>PRC:</b> <u>General operation and property developments:</u> All of our offices and all sales centres in the PRC have resumed works progressively from late February 2020. As at 31 March 2020, over 95% of our 71 construction sites located in the PRC had resumed construction. By April 2020, all of our construction sites had resumed works. We expect around 70% of our construction sites will be able to catch up on their original construction schedule with balance 30% experiencing delays of 1 to 2 months from the original construction schedule.
1.3	How have our property sales, property development and land banking activities & even ongoing construction been impacted by ongoing COVID-19 crisis?	<u>Investment properties and hotel operations:</u> To support our tenants in sustaining their operations during the lockdown period (February and March 2020), we offered rental concession for some of our tenants in the retail properties in PRC. In second quarter of 2020, we saw a strong resumption of economic activities in PRC.

		<p>Occupancy rate of the serviced apartments and hotels picked up gradually in the PRC. For example, the occupancy rate of our hotel in Sanya, Crowne Plaza Sanya Haitang Bay Resort, rebounded to 74% in May 2020. Our serviced apartment in Nanjing saw occupancy rate recovering to 68% in May 2020.</p> <p><u>Property sales in PRC:</u>  We have seen a healthy recovery in demand for high-quality residential developments in the PRC month on month from March 2020. The Group together with its joint ventures and associates recorded total contracted pre-sales from residential and commercial units, and car parks of approximately RMB3.461 billion, RMB4.862 billion and RMB7.283 billion in March, April and May 2020, respectively. For the first five months ended 31 May 2020, the Group together with its joint ventures and associates' total contracted pre-sales from residential and commercial units, and car parks rose 68.4% to approximately RMB18.918 billion compared to the corresponding period in 2019, for a total contracted gross floor areas ("GFA") of 526,746 square meters ("sqm"), an increase of 41.8% compared to 371,460 sqm in 2019. In addition, a total of approximately RMB4.145 billion of subscription sales of the Group together with its joint ventures and associates was recorded as at 31 May 2020 and is expected to be subsequently turned into contracted pre-sales in the following months. For details, please refer to our monthly press release on pre-sales published via SGXNET and on our corporate website.</p> <p><b>Singapore:</b> COVID-19 "circuit breaker" was announced in early April 2020 and has been exited and gradually resumed economic activities that do not pose high risk on 2 June 2020 with the city reaching a second phase opening on 19 June 2020. Our operations in Singapore have been progressively resumed in line with the Government policy.</p> <p>The sales centres for Leedon Green and Dairy Farm Residences re-opened on 19 June 2020.</p> <p>For investment properties in Singapore, we are closely communicating with tenants to provide support and roll out relief measures, as necessary. We will review the situation on an individual basis, considering factors that include the impact of COVID-19 on the tenants, available government assistance, amongst others. We aim to help customers cope with their immediate cashflow constraints.</p> <p>We expect the cashflow impact to the Group to be minimal given the strong property pre-sales achieved in PRC.</p> <p><u>Financials:</u>  In addition to the healthy sales recovery, we continue to be prudent in our financials and have slowed down land bank acquisitions to maintain sufficient liquidity to meet our operational needs.</p>
1.4	How is the new normal of COVID-19 virus going to affect Yanlord?	We will continue to monitor the ongoing COVID-19 pandemic and keep a watchful eye on the potential second wave outbreak. Our property management teams will continue to provide excellent property management services to our residents in our residential developments, our tenants and customers to ensure they are well

1.5	What is the Company strategy post COVID-19?	<p>served and protected. We are also stepping up cleaning and temperature taking, and various other public health and hygiene tracking to safe guard of our staff, customers and residents.</p> <p>For property sales, virtual property viewing and marketing have been introduced in all of our residential property sales in PRC before the outbreak. During the lockdown, our sales teams continue to communicate with the customers through the online enquiry platform. The outbreak sped up the full implementation and integration of information provision and online customer services across all projects and enhanced the “old” customer referral program.</p> <p>In Singapore, to better cope with circuit breaker rules during the lockdown period, we also launched a virtual site of Leedon Green, allowing for online project tour and pre-sale.</p> <p>We will continue to upgrade our office facilities, information security and communication platform for our employees across 17 cities in the PRC and Singapore to work virtually, while continuing to provide timely services to our customers.</p> <p>Business strategies of the Group (long-term strategy unchanged):</p> <p><u>Growth of business across high-growth cities in the PRC</u></p> <ul style="list-style-type: none"> <li>• Increase the market share in cities where Yanlord already has established a superior brand name</li> <li>• Expand into new cities within the 6 regions where Yanlord has an existing presence</li> <li>• Existing land bank sustainable for development in each of these cities for approximately 5 years</li> <li>• Future projects will be more diversified in terms of development type and geographical reach</li> </ul> <p>Yanlord has been progressively increasing and diversifying its investments in 17 high-growth cities in 6 economic regions in the PRC over the last few years, with almost 70 projects under different stages of developments to capture the growth opportunities and mitigate market risks that may arise.</p> <p><u>Expansion of the Group’s businesses to diversify its asset base and income sources</u></p> <p>In February 2020, Yanlord successfully completed the acquisition of another Singapore Exchange listed company - United Engineers Limited (“UEL”), taking it private and integrating into the Group. UEL (founded in 1912) and its subsidiary, WBL Corporation Limited (founded in 1906), are companies with a history that extends more than a hundred years. UEL is one of Singapore’s pioneer companies and played an integral role in the country’s property development industry since the colonial period.</p> <p>UEL has developed numerous iconic buildings that define the Singapore landscape and holds a high-quality investment property portfolio in the country, including UE BizHub City, UE BizHub Tower, UE BizHub West, Rochester Mall and Park Avenue Rochester and Park Avenue Robertson. Going forward, this portfolio of investment property will continue to contribute recurrent rental income to the Group with strong asset backing.</p>
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		In addition, Yanlord currently has two residential projects under development in Singapore, namely Leedon Green and Dairy Farm Residences.
2	<u>Debts and borrowings</u>	
2.1	With the acquisition of UEL and the debts needed to finance it, how high will the Group's net gearing rise?	With strong contracted pre-sales achieved in 2019, the Group's net gearing decreased by 16.7 percentage point to 80.1% (2018: 96.8%), after taking into account the acquisition of UEL.
2.2	What is the average cost of the Group's borrowings for onshore and offshore?	In 2019, the average cost of the Group's borrowings for onshore and offshore were 6.1% and 5.2%, respectively (2018: 6.0% and 5.7% respectively).
3	<u>Group's Pre-sales</u>	
3.1	For the Group's pre-sales of RMB55 billion achieved in 2019, in which years will these translate into sales?	Part of the Group's pre-sales of RMB55 billion had been recognised in 2019, and most of them will be translated into sales in 2020 and 2021.
3.2	What is the Group's pre-sales target for 2020 and what kind of gross margins can we expect?	The Group's pre-sales target for 2020 is expected to be higher than that of 2019. With the current global and PRC market situation; and the change of product mix and city mix, the gross margins may be lower than that of 2019 (2019: 41.2%).
3.3	Last year, the Group delivered 527,000 sqm of GFA to buyers. What is the expected delivery schedule for 2020?	The Group will deliver the properties to customers in line with its delivery schedule, which was set out in page 42 to 45 of the Annual Report for the financial year ended 31 December 2019 ("FY2019 Annual Report").
4	<u>Dividend payout</u>	
4.1	Will the Company sustain its current dividend payout?	The Group has been declaring a final dividend at S\$0.068 per ordinary share for each of the past 3 financial years. For future years' dividend, similar to the current practice, management will propose an appropriate dividend for the Board of Directors' ("Board") consideration prior to any such declaration by the Board on an annual basis after taking into account, among other factors, the Group's financial position, its future investment, financial planning, business expansion and development plan as well as the prevailing market situation.
5	<u>Business and operation update</u>	
5.1	I refer to page 118 of the Annual Report for financial year ended 31 December 2019 about "Completed properties for sale"	Compared to the RMB55 billion property pre-sold in 2019, the increased RMB1.54 billion (RMB7.49 billion deducted by RMB5.95 billion) of "Completed properties for sales" ("Current assets") representing less than 3% of total pre-sold amount of RMB55 billion achieved in 2019. We are of the opinion that it was at a reasonable level.

	<p>(Current assets)". I noted that "Completed properties for sale (Current assets)" has increased 26% from RMB5.95 billion in 2018 to RMB7.49 billion in 2019. Can the Audit Committee provide an ageing based on their completion dates? What have the Audit Committee planned to do about those properties completed for more than 1 year?</p>	<p>For the first five months ended 31 May 2020, the Group together with its joint ventures and associates' total contracted pre-sales from residential and commercial units, and car parks rose 68.4% to approximately RMB18.918 billion compared to the corresponding period in 2019, for a total contracted GFA of 526,746 sqm, an increase of 41.8% compared to 371,460 sqm in 2019. In addition, a total of approximately RMB4.145 billion of subscription sales of the Group together with its joint ventures and associates was recorded as at 31 May 2020 and is expected to be subsequently turned into contracted pre-sales in the following months. For details, please refer to our monthly press release on pre-sales published via SGXNET and on our corporate website.</p> <p>Shareholders may also refer to the key audit matter namely, Assessment of recoverable amounts for properties for development, properties under development for sale and completed properties for sale under the Independent Auditor's Report as set out in page 60 of the FY2019 Annual Report for relevant details.</p>
5.2	<p>I refer to page 118 of the Annual Report about "Properties for development". What % of these "Properties for development" is expected to sell below cost? What have the Board of Directors planned to do about those Properties for development that are having slower-than-expected sales or lower profit margins?</p>	<p>"Property for development" is the landbank yet to commence construction. As a property developer, landbank is considered as "raw material" of our business. We have no plan to sell the "Properties for development" before they are being developed. Selling price will be determined when the developments are allowed for pre-sales according to the construction status requirements and the local rules and regulations. Please refer to page 46 and 47 of the FY2019 Annual Report for the details of their development plan.</p> <p>For the first five months ended 31 May 2020, the Group together with its joint ventures and associates' total contracted pre-sales from residential and commercial units, and car parks rose 68.4% to approximately RMB18.918 billion compared to the corresponding period in 2019, for a total contracted GFA of 526,746 sqm, an increase of 41.8% compared to 371,460 sqm in 2019. In addition, a total of approximately RMB4.145 billion of subscription sales of the Group together with its joint ventures and associates was recorded as at 31 May 2020 and is expected to be subsequently turned into contracted pre-sales in the following months. For details, please refer to our monthly press release on pre-sales published via SGXNET and on our corporate website.</p> <p>Shareholders may also refer to the significant matter namely, Assessment of recoverable amounts for properties for development, properties under development for sale and completed properties for sale under the section "AC Commentary on Significant Matters" found in the Corporate Governance as set out in page 181 of the FY2019 Annual Report for relevant details.</p>
5.3	<p>What do we plan to do with the non-property business segments of UEL, especially distribution and manufacturing?</p>	<p>The property development and investment business have been integrated to the property business of the Group in the last few months.</p> <p>For the non-property businesses of UEL, we are still reviewing the business performance and opportunities. We shall update the Shareholders should there be any material change.</p>
5.4	<p>Could you give more details on our maiden entry into Hangzhou</p>	<p>Hangzhou Intelligent City is a joint venture project which Yanlord holds an interest of 30%. Together with "Hangzhou Bayfront Isle",</p>

<p>Intelligent City and the prospects of “technology” interplay with our property development?</p>	<p>being part of the Intelligent City, the total GFA of entire project is approximately 746,000 sqm.</p> <p>Hangzhou Bayfront Isle Phase 1 and Phase 2 with a total GFA of approximately 130,000 sqm were launched for pre-sales in October 2018 and July 2019, respectively. Average selling price (“ASP”) was approximately RMB28,500 per sqm for apartments and RMB34,000 per sqm for townhouses/villas. All of the units had been pre-sold whereby units of Phase 1 and Phase 2 are planned for completion and delivery to the buyers from 2020 and 2022, respectively.</p> <p>Hangzhou Intelligent City Project (Phase 1) with a total GFA of approximately 130,000 sqm is under development. The first batch with a total of 68 units of townhouses/villas were newly launched for pre-sales in June 2020 with 54 units had been sold. ASP was RMB35,000 per sqm slightly higher than those sold in Hangzhou Bayfront Isle Phase 1 and Phase 2. The remaining units are planned for pre-sales once ready.</p> <p>For the commercial land parcels under development and for future development, we are targeting global education, healthcare, hospitality and technology research operators as well as professionals who will augment Hangzhou’s role as a key technology hub in PRC.</p>
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Yanlord Land Group Limited  
Zhong Sheng Jian  
Chairman and Chief Executive Officer

26 June 2020