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YANLORD

YANLORD LAND GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company registration no. 200601911K)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

DATED 25 MARCH 2021

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

CONTENTS

Page

DEFINITIONS 3

LETTER TO SHAREHOLDERS

1. INTRODUCTION 5

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE 5

3. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS 16

4. DIRECTORS' RECOMMENDATION 17

5. DIRECTORS' RESPONSIBILITY STATEMENT 17

6. DOCUMENTS FOR INSPECTION 17

DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

"Act"	:	Companies Act (Chapter 50 of Singapore), as amended, modified and/or supplemented from time to time
"AGM"	:	Annual General Meeting of the Company
"Appendix"	:	This appendix to the Notice of AGM dated 25 March 2021
"CDP"	:	The Central Depository (Pte) Limited
"Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified and/or supplemented from time to time
"Constitution"	:	The constitution of the Company, as amended, modified and/or supplemented from time to time
"Company"	:	Yanlord Land Group Limited
"Controlling Shareholder"	:	Has the meaning ascribed to it in the Listing Manual
"Directors"	:	The directors of the Company
"Group"	:	The Company and together with its subsidiaries
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Appendix, being 1 March 2021
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, modified and/or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading of securities
"SFA"	:	Securities and Futures Act (Chapter 289 of Singapore), as amended, modified and/or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buyback Mandate"	:	The share buyback mandate to authorise the Company to purchase or otherwise acquire the issued and paid-up ordinary shares in the capital of the Company
"Shares"	:	Ordinary shares in the capital of the Company
"Shareholders"	:	Registered holders for the time being of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
"Subsidiary Holdings"	:	Has the meaning ascribed to it in the Listing Manual
"Substantial Shareholders"	:	Persons who each has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company

DEFINITIONS

Currencies, Units and Others

"RMB" and "cents"	:	Renminbi and cents respectively, the lawful currency of the People's Republic of China
"S\$"	:	Singapore dollars, the lawful currency of Singapore
"US\$"	:	United States dollars, the lawful currency of the United States of America
"%" or "per cent."	:	Per centum or percentage

Depositors and Depository Register. The terms "**depositor**" and "**depository register**" shall have the meanings ascribed to them respectively in the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa, and words importing persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual, the Code, the SFA or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning ascribed to it under the said Act, the Listing Manual, the Code, the SFA, or any modification thereof, as the case may be, unless the context otherwise requires.

The Company maintains its accounts in S\$ but publishes its financial statements in RMB. This Appendix contains conversion of certain S\$ amounts into RMB (or vice versa) at specified rate solely for the convenience of the Shareholders. Unless otherwise indicated, the financial figures in this Appendix are calculated on the basis of S\$1:RMB4.8680 as at the Latest Practicable Date.

Any reference to a time of day and date in this Appendix shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any discrepancies in figures in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be the arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

YANLORD LAND GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company registration no. 200601911K)

The SGX-ST assumes no responsibility for the accuracy of any statements made, or opinions expressed, or reports contained in this Appendix.

Directors:

Zhong Sheng Jian (Chairman and Chief Executive Officer)
Zhong Siliang (Executive Director)
Zhong Ming (Executive Director)
Zhong Iek Ka (Executive Director)
Ronald Seah Lim Siang (Lead Independent Director)
Ng Shin Ein (Independent Non-Executive Director)
Hee Theng Fong (Independent Non-Executive Director)
Hong Pian Tee (Independent Non-Executive Director)
Teo Ser Luck (Independent Non-Executive Director)

Registered Office:

9 Temasek Boulevard #36-02
Suntec Tower Two
Singapore 038989

25 March 2021

Dear Shareholders

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The Directors refer to the Notice of the AGM dated 25 March 2021. Item no. 8 of the Notice of AGM is an Ordinary Resolution ("**Resolution 8**") which will be proposed at the AGM to be held on 29 April 2021 ("**2021 AGM**") for the renewal of the Share Buyback Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to Resolution 8 and the reasons of seeking approval from the Shareholders for the proposed renewal of the Share Buyback Mandate.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

The Shareholders approved and renewed the Share Buyback Mandate at the previous AGM held on 29 June 2020 ("**2020 AGM**"). The rationale for, the authority and limitations on, and the financial effects of the Share Buyback Mandate were set out in the appendix to the Notice of AGM dated 5 June 2020 and Ordinary Resolution 8 set out in the Notice of the 2020 AGM. The authority conferred pursuant to the Share Buyback Mandate approved at the 2020 AGM was expressed to continue in force until the date on which (i) the next AGM is held or required by law to be held, (ii) share buybacks have been carried out to the full extent mandated, or (iii) the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders at a general meeting, whichever is earlier. Accordingly, the Share Buyback Mandate would be lapsed on 2021 AGM.

It is a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2021 AGM for, *inter alia*, the renewal of the Share Buyback Mandate and to authorise the Directors to buy back Shares up to the maximum number of Shares set out in Section 2.3.1.

Any purchases or acquisitions of Shares by the Company would have to be made subject to the Constitution, Sections 76B to 76G of the Act, the Listing Manual and the Code.

LETTER TO SHAREHOLDERS

If approved by Shareholders at the 2021 AGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the date on which (i) the next AGM is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting), (ii) share buybacks have been carried out to the full extent mandated, or (iii) the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders at a general meeting, whichever is earlier.

2.2 Rationale for the proposed renewal of the Share Buyback Mandate

The Share Buyback Mandate would give the Company flexibility to purchase the Shares at any time, as and when circumstances permit, during the period that the Share Buyback Mandate is in force.

The Share Buyback Mandate provides the Company and Directors with a simple mechanism to facilitate the return of surplus cash over and above its capital requirements in an expedient and cost-effective manner. The Share Buyback Mandate will also allow the Directors to exercise a certain amount of control over the Company's share capital structure with a view to enhance the earnings per share of the Company.

As and when circumstances permit, the Directors will decide whether to effect the Shares purchase or acquisition via Market Purchases (as defined below) and/or Off-Market Purchases (as defined below), after taking into account the relevant factors such as the working capital requirements, the financial resources available, the expansion and investment plans of Group, the prevailing market conditions, and etc. Such purchase or acquisition will only be made when the Directors are of the view that it is in the interest of the Company and could benefit Shareholders and that the Directors do not propose to carry out buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

2.3 Terms of the Share Buyback Mandate

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The maximum number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate and in accordance with the requirements of the Listing Manual, is the number of issued Shares representing not more than 10% of the issued and fully paid-up Shares as at the date on which the Resolution 8 on renewal of the Share Buyback Mandate is passed, being the date of the 2021 AGM. Any treasury shares and Subsidiary Holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, 17,201,100 Shares were held in treasury and no Share was held as Subsidiary Holdings.

For illustration purposes only, on the basis of 1,931,535,376 issued and fully paid-up Shares (excluding the 17,201,100 treasury shares) as at the Latest Practicable Date, and assuming no further Shares are issued or repurchased and held in treasury or being cancelled and no Share is held as Subsidiary Holdings, on or prior to the 2021 AGM, not more than 193,153,537 Shares (representing not more than 10% of the total issued and fully paid-up Shares excluding the 17,201,100 treasury shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2021 AGM, at which the Resolution 8 on renewal of the Share Buyback Mandate is passed, up to the date on which:

- (a) the next AGM is held or required by law to be held;
- (b) share buybacks have been carried out to the full extent mandated; or

LETTER TO SHAREHOLDERS

- (c) the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders at a general meeting,

whichever is earlier.

The Share Buyback Mandate may be renewed at each subsequent AGM or other general meeting of the Company.

2.3.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) on-market purchases ("**Market Purchases**"); transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases, made in accordance with an equal access scheme as defined in the Act ("**Off-Market Purchases**").

The Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Listing Manual, the Act, the Code and the Constitution as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that the following shall be disregarded:
- (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
- (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
- (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase, the Company must, as required by the Listing Manual, issue an offer document containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback Mandate;
- (iv) the consequences, if any, of the Shares buyback by the Company that will arise under the Code or other applicable takeover rules;

LETTER TO SHAREHOLDERS

- (v) whether the Share buyback, if made, could affect the listing of the equity securities of the Company on the SGX-ST;
- (vi) details of any Share buybacks made by the Company in the previous 12 months (whether via Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased or acquired by the Company will be cancelled or held in treasury.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid by the Company for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
 - (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,
- in each case, excluding related expenses of the purchase or acquisition ("**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, such other stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of the Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of purchased or acquired Shares under the Share Buyback Mandate

Any Shares purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a Share, the rights and privileges attached to that Share expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and are not held in treasury.

2.5 Treasury shares

Shares purchased or acquired by the Company may be held or dealt with as treasury shares under the Act.

2.5.1 Disposal and cancellation

Where Shares are held in treasury, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, Directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

LETTER TO SHAREHOLDERS

- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

2.5.2 Maximum holdings

The maximum number of treasury shares which may be held by the Company is as follows:

- (a) where the Company has shares of only one class, the aggregate number of shares held in treasury shall not at any time exceed 10% of the total number of shares of the Company at that time; or
- (b) where the Company's share capital is divided into shares of different classes, the aggregate number of the shares of any class held in treasury shall not at any time exceed 10% of the total number of the shares in that class at that time.

In the event that the Company exceeds the stated thresholds, the Company shall dispose of or cancel these excess shares before the end of the period of six months beginning with the day on which the Company exceeds the stated thresholds or such further period as the Registrar of Companies may allow.

2.5.3 Voting and other rights

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of the treasury shares. However, an allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed if the total value of the treasury shares after the subdivision or consolidation is the same as that of before the subdivision or consolidation, as the case may be.

2.6 Source of funds

The Act provides that any share buyback may be made out of the Company's capital or profits so long as the Company is solvent. The Company intends to use internal sources of funds, any appropriate external borrowings and/or funds from any new issues of equity to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital position of the Group and/or the orderly trading of the Shares would be materially or adversely affected.

2.7 Financial impact of the share buyback

The financial effects on the Group and the Company arising from its purchase or acquisition of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, whether the Shares purchased or acquired is a Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

LETTER TO SHAREHOLDERS

2.7.1 Purchase or acquisition made out of capital and/or profits

Where the consideration paid by the Company for the purchases or acquisitions of Shares is made out of capital, such consideration will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the purchases or acquisitions of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution in the form of cash dividends by the Company.

2.7.2 Number of Shares purchased or acquired

For illustrative purposes only, on the basis of 1,931,535,376 issued and fully paid-up Shares (excluding the 17,201,100 treasury shares) as at the Latest Practicable Date, and assuming no further Shares are issued or repurchased and held in treasury and no Share is held as Subsidiary Holdings, on or prior to the 2021 AGM, the exercise in full of the Share Buyback Mandate would result in the purchase or acquisition of 193,153,537 Shares (assuming the 17,201,100 treasury shares are cancelled during the year).

2.7.3 Maximum Price paid for Shares purchased or acquired

For illustrative purposes only, in the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 193,153,537 Shares at the Maximum Price of S\$1.20 per Share (being the price equivalent to approximately 105% of the Average Closing Price immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately RMB1,128,325,700 (equivalent to approximately S\$231,784,244) (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses for purposes of this illustration).

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 193,153,537 Shares at the Maximum Price of S\$1.37 per Share (being the price equivalent to approximately 120% of the Average Closing Price immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately RMB1,288,171,844 (equivalent to approximately S\$264,620,346) (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses for purposes of this illustration).

For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 as if the Share Buyback Mandate and such purchase or acquisition of Shares had been effective on 1 January 2020, the financial effects of the purchase or acquisition of such Shares by the Company are set out as follows:

LETTER TO SHAREHOLDERS

(a) Market Purchase made entirely out of capital and held in treasury

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2020				
Shareholders' Equity	31,204,146	30,075,820	7,397,094	6,268,768
Net Asset Value ("NAV")	31,204,146	30,075,820	7,397,094	6,268,768
Current Assets	86,267,647	85,139,321	5,699,428	5,699,428
Current Liabilities	65,446,640	65,446,640	11,651,369	12,779,695
Total Borrowings	42,881,923	42,881,923	–	–
Cash and Cash Equivalents	17,199,902	16,071,576	1,114	1,114
Treasury Shares ('000)	17,201	193,153 ^A	17,201	193,153 ^A
Number of Shares ⁽¹⁾ ('000)	1,931,535	1,738,382	1,931,535	1,738,382
Financial Ratios				
NAV per Share ⁽²⁾ (cents)	1,616	1,730	383	361
Earnings per Share ("EPS") ⁽³⁾ (cents)	134.19	149.10	36.38	40.42
Gearing ⁽⁴⁾ (times)	1.37	1.43	–	–
Current Ratio ⁽⁵⁾ (times)	1.32	1.30	0.49	0.45

(b) Off-Market Purchase made entirely out of capital and held in treasury

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2020				
Shareholders' Equity	31,204,146	29,915,974	7,397,094	6,108,922
NAV	31,204,146	29,915,974	7,397,094	6,108,922
Current Assets	86,267,647	84,979,475	5,699,428	5,699,428
Current Liabilities	65,446,640	65,446,640	11,651,369	12,939,541
Total Borrowings	42,881,923	42,881,923	–	–
Cash and Cash Equivalents	17,199,902	15,911,730	1,114	1,114
Treasury Shares ('000)	17,201	193,153 ^A	17,201	193,153 ^A
Number of Shares ⁽¹⁾ ('000)	1,931,535	1,738,382	1,931,535	1,738,382
Financial Ratios				
NAV per Share ⁽²⁾ (cents)	1,616	1,721	383	351
EPS ⁽³⁾ (cents)	134.19	149.10	36.38	40.42
Gearing ⁽⁴⁾ (times)	1.37	1.43	–	–
Current Ratio ⁽⁵⁾ (times)	1.32	1.30	0.49	0.44

^A Assuming that 17,201,100 Shares held in treasury are cancelled during the financial year in question.

LETTER TO SHAREHOLDERS

(c) Market Purchase made entirely out of capital and cancelled

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2020				
Shareholders' Equity	31,204,146	30,075,820	7,397,094	6,268,768
NAV	31,204,146	30,075,820	7,397,094	6,268,768
Current Assets	86,267,647	85,139,321	5,699,428	5,699,428
Current Liabilities	65,446,640	65,446,640	11,651,369	12,779,695
Total Borrowings	42,881,923	42,881,923	–	–
Cash and Cash Equivalents	17,199,902	16,071,576	1,114	1,114
Number of Shares ⁽¹⁾ ('000)	1,931,535	1,738,382	1,931,535	1,738,382
Financial Ratios				
NAV per Share ⁽²⁾ (cents)	1,616	1,730	383	361
EPS ⁽³⁾ (cents)	134.19	149.10	36.38	40.42
Gearing ⁽⁴⁾ (times)	1.37	1.43	–	–
Current Ratio ⁽⁵⁾ (times)	1.32	1.30	0.49	0.45

(d) Off-Market Purchase made entirely out of capital and cancelled

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2020				
Shareholders' Equity	31,204,146	29,915,974	7,397,094	6,108,922
NAV	31,204,146	29,915,974	7,397,094	6,108,922
Current Assets	86,267,647	84,979,475	5,699,428	5,699,428
Current Liabilities	65,446,640	65,446,640	11,651,369	12,939,541
Total Borrowings	42,881,923	42,881,923	–	–
Cash and Cash Equivalents	17,199,902	15,911,730	1,114	1,114
Number of Shares ⁽¹⁾ ('000)	1,931,535	1,738,382	1,931,535	1,738,382
Financial Ratios				
NAV per Share ⁽²⁾ (cents)	1,616	1,721	383	351
EPS ⁽³⁾ (cents)	134.19	149.10	36.38	40.42
Gearing ⁽⁴⁾ (times)	1.37	1.43	–	–
Current Ratio ⁽⁵⁾ (times)	1.32	1.30	0.49	0.44

Notes:

- (1) Number of Shares represents issued and fully paid-up Shares (excluding treasury shares, cancelled shares and Subsidiary Holdings, as applicable) as at the Latest Practicable Date.
- (2) NAV per Share equals to NAV divided by the number of Shares (excluding treasury shares, cancelled shares and Subsidiary Holdings, as applicable).
- (3) EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares. For the purpose of illustrative EPS calculation, the weighted average number of Shares are derived from the total number of Shares of 1,931,535,376 as at 1 January 2020 after excluding (i) 193,153,537 Shares to be purchased or acquired pursuant to the Share Buyback Mandate; (ii) no treasury share was purchased during financial year 2020; and (iii) no treasury share was purchased from 1 January 2021 and credited as at the Latest Practicable Date should the above-mentioned been effective on 1 January 2020.
- (4) Gearing equals to total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

LETTER TO SHAREHOLDERS

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, Shareholders are to note that the financial analyses set out above are based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 and is not necessarily representative of future financial performance of the Group and the Company. Although the Share Buyback Mandate would authorise the Company to buy back Shares up to 10% of the issued and fully paid-up share capital of the Company (excluding treasury shares and Subsidiary Holdings), the Company may not necessarily buy back or be able to buy back the issued Shares pursuant to the Share Buyback Mandate to the full extent mandated. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Directors do not propose to exercise the Share Buyback Mandate to an extent that would materially and adversely affect the liquidity and capital position of the Group and/or orderly trading of the Shares. The purchases or acquisitions of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, the prevailing market conditions, and etc. The Share Buyback Mandate will only be exercised in the best interests of the Company, for example, to enhance the EPS of the Company.

2.8 Listing Rules

2.8.1 Reporting requirements

The Listing Manual specifies that a listed company shall notify the SGX-ST of any share buyback as follows:

- (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased or acquired any of its shares; and
- (b) in the case of an Off-Market Purchase, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

The notification of such share buybacks to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe, such as the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid per Share, as applicable.

The Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the requirements of the Listing Manual, the Company, Directors and key employees will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), or two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise).

LETTER TO SHAREHOLDERS

2.8.2 Listing Manual

The Listing Manual requires the Company to ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed are at all times held by the public. The “**public**”, as defined in the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 27% of the total number of issued Shares (excluding treasury shares) are held by the public. Assuming that the Company repurchased the maximum of 10% of its issued and fully paid-up share capital as at the Latest Practicable Date from members of the public, the resultant percentage of the total number of issued Shares held by the public would be approximately 19%.

The Directors will use their best efforts to ensure that the requirements of the Listing Manual are complied with and that the orderly trading of Shares would not be adversely affected should the Company effect buybacks of Shares under the Share Buyback Mandate.

2.9 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of share purchases or acquisitions by the Company or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.10 Implications of the Code

Appendix 2 of the Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of the Shares are set out as follows:

2.10.1 Obligation to make a take-over offer

Pursuant to Appendix 2 of the Code, when a company buys back its shares, any resulting increase in the percentage of voting rights held by a shareholder and persons acting in concert with him will be treated as an acquisition for the purposes of Rule 14 of the Code. If such increase results in the change of effective control, or as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Code.

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be persons acting in concert with each other:

- (a) a company with its parent, subsidiaries, fellow subsidiaries, any associated company of the aforesaid companies, any company whose associated companies include any of the aforesaid companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid companies for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;

LETTER TO SHAREHOLDERS

- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts as well as companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual and his/her close relatives, related trusts, any person who is accustomed to act in accordance with his/her instructions, companies controlled by any of the aforesaid persons or trusts and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons, trusts or companies for the purchase of voting rights.

For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

2.10.2 Effect of Rule 14 and Appendix 2 of the Code

The effect of Rule 14 of the Code is that, unless exempted, the Directors and persons acting in concert with each of them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and persons acting in concert with them, shares held in treasury shall be excluded.

A Shareholder, who is not acting in concert with the Directors, will not be required to make a take-over offer under Rule 14 of the Code if, as a result of the Company purchasing Shares, the voting rights of the Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting on resolution authorising the Share Buyback Mandate at the AGM.

As at the Latest Practicable Date, Yanlord Holdings Pte. Ltd., Zhong Sheng Jian, Zhong Siliang, Zhong Ming, Zhong Iek Ka and persons presumed to be acting in concert with each other under the Code have an aggregate shareholding interests of more than 50% in the Company. The increase in the shareholding, in the event the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate, will not require a general offer to be made under Rule 14 of the Code.

Save as disclosed above, each of the Directors has confirmed that he/she is not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that his/her respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of a share buyback pursuant to the Share Buyback Mandate.

LETTER TO SHAREHOLDERS

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

2.11 No Share buybacks in the previous 12 months

The Company has not made any share buybacks in the 12 months preceding the Latest Practicable Date.

3. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AS STATED IN THE REGISTER OF DIRECTORS' INTERESTS AND REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT THE LATEST PRACTICABLE DATE

	Before Share Buyback (No. of Shares)			Before	After
	Direct Interest	Deemed Interest	Total Interest	Share Buyback % ⁽⁸⁾	Share Buyback % ⁽⁹⁾
DIRECTORS					
Zhong Sheng Jian ⁽¹⁾	82,506,500	1,278,390,000	1,360,896,500	70.457	78.285
Zhong Siliang ⁽²⁾	320,000	30,095,000	30,415,000	1.575	1.750
Zhong Ming ⁽³⁾	–	–	–	–	–
Zhong Iek Ka ⁽⁴⁾	–	–	–	–	–
Ronald Seah Lim Siang	20,000	–	20,000	0.001	0.001
Ng Shin Ein ⁽⁵⁾	118,000	–	118,000	0.006	0.007
Hee Theng Fong ⁽⁶⁾	–	–	–	–	–
Hong Pian Tee ⁽⁷⁾	614,500	224,000	838,500	0.043	0.048
Teo Ser Luck	–	–	–	–	–
SUBSTANTIAL SHAREHOLDERS					
Yanlord Holdings Pte. Ltd. ⁽¹⁾	1,278,390,000	–	1,278,390,000	66.185	73.539
Zhong Sheng Jian ⁽¹⁾	82,506,500	1,278,390,000	1,360,896,500	70.457	78.285

Notes:

- (1) Zhong Sheng Jian is deemed to have an interest in 1,278,390,000 Shares in the Company held by Yanlord Holdings Pte. Ltd. ("YHPL"). YHPL is a company which is owned by Zhong Sheng Jian (95% shareholding interest) and his spouse (5% shareholding interest). Zhong Sheng Jian further holds US\$50,000,000 of 6.75% Senior Notes due 2023 issued by a wholly-owned subsidiary of the Company.
- (2) Zhong Siliang is the nephew of Zhong Sheng Jian and cousin of Zhong Ming and Zhong Iek Ka. Zhong Siliang is deemed to have an interest in 30,095,000 Shares in the Company held by Investor Growth Co., Limited, a company which is wholly-owned by Zhong Siliang.
- (3) Zhong Ming is the son of Zhong Sheng Jian, brother of Zhong Iek Ka and cousin of Zhong Siliang.
- (4) Zhong Iek Ka is the son of Zhong Sheng Jian, brother of Zhong Ming and cousin of Zhong Siliang.
- (5) Ng Shin Ein further holds US\$3,000,000 of 5.875% Senior Notes due 2022 and US\$2,000,000 of 6.80% Senior Notes due 2024, respectively issued by a wholly-owned subsidiary of the Company.
- (6) Hee Theng Fong holds US\$750,000 of 6.80% Senior Notes due 2024 issued by a wholly-owned subsidiary of the Company.
- (7) Hong Pian Tee is deemed to have an interest in 224,000 Shares in the Company held by his spouse.
- (8) As a percentage of the issued share capital of the Company, comprising 1,931,535,376 Shares excluding the 17,201,100 treasury shares.
- (9) As a percentage of the issued share capital of the Company, comprising 1,738,381,839 Shares (assuming the 17,201,100 treasury shares are cancelled during the year and the Company purchases the maximum number of 193,153,537 Shares under the Share Buyback Mandate).

LETTER TO SHAREHOLDERS

4. DIRECTORS' RECOMMENDATION

The Directors are of the view that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Shareholders are advised to read this Appendix in its entirety and for any Shareholder who may require advice in the context of his/her specific investment, to consult his/her bank manager, stockbroker, solicitor, accountant or other professional adviser.

6. DOCUMENTS FOR INSPECTION

Subject to the prevailing laws, guidelines and/or measures imposed by the relevant authorities, the following documents are available for inspection at the registered office of the Company at 9 Temasek Boulevard #36-02 Suntec Tower Two Singapore 038989 during normal business hours from the date of this Appendix up to the date of 2021 AGM:

- (a) the annual report of the Company for the financial year ended 31 December 2019 ("**FY2019 Annual Report**");
- (b) the appendix to the Notice of AGM dated 5 June 2020 ("**2020 Appendix**"); and
- (c) the Constitution.

The FY2019 Annual Report and the 2020 Appendix may also be accessed at the Company's website at <http://yanlord.listedcompany.com/ar.html>.

Yours faithfully
For and on behalf of
The Board of Directors
Yanlord Land Group Limited

Zhong Sheng Jian
Chairman and CEO

