YINGLI INTERNATIONAL

REVITALISATION

ANNUAL REPORT 2022

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CORPORATE PROFILE

YING LI INTERNATIONAL REAL ESTATE LIMITED ("YING LI" OR THE "COMPANY" AND TOGETHER WITH ITS SUBSIDIARIES, THE "GROUP") IS A PREMIER CHONGQING-BASED PROPERTY DEVELOPER, SUCCESSFULLY MODERNISING THE LANDSCAPE OF CHONGQING'S MAIN BUSINESS DISTRICTS, WITH SEVERAL LANDMARK INTEGRATED BUILDINGS SUCH AS NEW YORK NEW YORK, ZOU RONG PLAZA, FUTURE INTERNATIONAL AND YING LI INTERNATIONAL FINANCIAL CENTRE.

Ying Li was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in 2008 (stock code: 5DM), becoming the first Chongqing company listed on the Mainboard of the SGX-ST. Our key property assets include integrated offices, retail properties, other commercial properties, etc.

In 2019, Ying Li became a subsidiary of China Everbright Limited ("**CEL**"), a public company listed on the Stock Exchange of Hong Kong Limited ("**SEHK**") (stock code:165.HK), a Fortune 500 Company and a state-owned company.

Spearheaded by a new business strategy developed by CEL in 2021, Ying Li has embarked on a new journey of strategic transformation, transiting from traditional property development to a cross-border property investment and asset management business activities. From a builder of city landmarks to an operator-advocator that inspires better building and lifestyle environment, Ying Li has developed a strategic focus on domestic and foreign investment and property management. Through an international platform, a professional investment team and utilising a global perspective, Ying Li is committed to becoming a world-class cross-border property investment and asset management company in China.

At present, Ying Li is undertaking a two-prong business strategy in the area of financial-related asset management and asset-related management, focusing on key investment areas such as property investment, renewable energy, carbon neutrality, and healthcare, and actively promoting environmental, social and corporate governance ("**ESG**") eco-investments by adopting a fund management approach that will enable Ying Li to participate and accelerate its new business ambitions.

董事局主席致辞

MR. ZHANG MINGAO
Non-Executive and
Non-Independent Chairman

"未来一年，英利将保持战略定力、锚定战略目标，立足新发展阶段、构建新发展格局，继续推动整个组织健康、高质量发展"

2022年末，全球艰难走出新冠疫情笼罩的阴霾，各国经济奋力重启。伴随后疫情时代的到来，某些治理维度被重构，一些经济规则也被改写，这股席卷全球的力量正在改变世界。

2022年，世界的目光再次聚焦中国，中国共产党的"二十大"胜利召开；北京成为世界首个"双奥之城"；中国神州飞船接力腾飞；第三艘"福建号"航母下水，首架C919大飞机交付……国家欣欣向荣，时代阔步向前！2022年，英利团队努力实现年度经营计划和绩效目标；进一步扫清阻碍企业发展的历史障碍；企业管理与运营持续提升。我们欣喜看到，永续可转债关键条款的修订和豁免获得股东大会批准，此举优化了公司财务状况，节约了大额融资费用，为略转型带来积极影响；与国电投合作的大坪大融城综合节能改造项目一期工程顺利完工，英利绿色战略转型发展取得实质进展！

展望2023年，感知和顺应中国及世界各国后疫情期全面开放的新风，我们对全球经济全面复苏充满期待。未来一年，英利将保持战略定力、锚定战略目标，立足新发展阶段、构建新发展格局，继续推动整个组织健康、高质量发展；持续提高英利为股东创造长期持久利润的能力和业绩。在此，我谨代表董事会，衷心感谢各位股东、合作伙伴及客户长期以来的关注和支持，英利将持续汇集各方智慧，凝聚各方力量，"远见稳进、守正出奇"，与各位股东、合作伙伴、社会各界携手并进，共同书写追梦新篇章！

CHAIRMAN'S STATEMENT

At the end of 2022, the world continues to struggle under the lingering effects of the COVID-19 pandemic with many countries using their best endeavours to restart economic growth. With the advent of the post-pandemic era, certain governing dimensions have been restructured, and some economic policies have been reconfigured, creating a new force of change around the world.

In 2022, China has once again captured the world's attention with various global events and milestones: the "20th National Congress" of the Communist Party of China was successfully held; Beijing became the world's first "Dual Olympic City" as the host for both the Summer and Winter Olympic Games; China's spacecraft Shenzhou-15, or "Divine Vessel," marked a first in Chinese space history with three Chinese astronauts arrived at China's space station for the first in-orbit crew change; China launched its 3rd aircraft carrier "The Fujian"; Delivery of the world's first made-in-China C919 passenger jet…signifying China's thriving progress and positive strides in the new era.

2022 was also a year of progress for Ying Li's team as it put in hard work and efforts to realise the objectives of its annual business plan and performance targets, further resolving legacy issues that impede its progress and enhancing its management and operational efficiencies.

We are gratified to note that the amendment and waiver of the terms and conditions of the Company's Perpetual Convertible Securities ("**PCS**") have been approved by shareholders at the Extraordinary General Meeting held on 29 December 2022, which enhances the Group's capital structure, reducing its financing costs and creating a positive impact to its strategic transformation. In addition, Ying Li has made substantial advances in its green strategy with the completion of the Group's first-phase integration of comprehensive energy-saving features within its IMIX Park Daping, which was a cooperation project between Ying Li and State Power Investment Corporation Limited.

Looking ahead in 2023, with the reopening of China and other countries in the endemic phase, we are optimistic and hopeful of the recovery in global economic growth.

In the new year ahead, Ying Li will remain committed to its strategic vision, focus on its strategic objectives, establish new growth catalysts, and continue to pursue a sustainable, high-quality growth platform so as to enhance its capabilities to pursue long-term and sustainable profitability for its shareholders.

On behalf of the Board of Directors, I wish to thank our shareholders, partners and clients for your continued support. With the collective wisdom and capabilities from our stakeholders, Ying Li will continue leverage on our core values of "Foresight with Steady Progress, Advancement through Innovations" to make steady progress and shape a new future ahead together as one!

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2022 ("**FY2022**"), the Group's revenue declined by 27.4% year-on-year ("**Y-o-Y**"), or from RMB62.7 million to RMB166.1 million (financial year ended 31 December 2021 ("**FY2021**"): RMB228.8 million), which was due to a decrease in sales of properties by RMB32.8 million, and a decrease in rental income by RMB29.9 million.

Revenue from the sales of properties declined by 97.4% Y-o-Y, or from RMB32.8 million to RMB0.9 million (FY2021: RMB33.6 million), which was mainly attributed to fewer property units being sold and recognition of a lower sales revenue in FY2022.

Rental income declined by 15.3% Y-o-Y or from RMB29.9 million to RMB165.2 million (FY2021: RMB195.1 million), which was mainly due to the softening of the overall rental market as a result of the COVID-19 measures and extreme weather conditions in Chongqing in FY2022. The Group has granted rental reliefs to support the recovery of tenants' businesses and attract new tenants.

In tandem with lower revenue in FY2022, the Group's gross profit dipped by 24.9% Y-o-Y or RMB39.4 million to approximately RMB118.6 million in FY2022 (FY2021: RMB158.1 million). The Group's overall gross profit margin for FY2022 increased by 2.3 percentage point to 71.4% (FY2021: 69.1%), primarily due to a higher proportion of gross profit contributed by rental income.

For FY2022, the Group's other income decreased by RMB3.1 million or 20.7% to approximately RMB12.1 million (FY2021: RMB15.2 million), mainly due to lesser interest income earned from the Group's bank deposits which has reduced compared to FY2021.

The Group's distribution and marketing expenses decreased by RMB8.7 million or 27.0% to approximately RMB23.5 million in FY2022 (FY2021: RMB32.2 million), mainly due to a decrease in variable components of selling expenses that corresponded to lower revenue recognised in FY2022.

The Group's administrative expenses increased by RMB4.6 million or 5.5% to approximately RMB88.3 million in FY2022 (FY2021: RMB83.7 million), mainly due to an increase in legal and professional fees.

The Group's finance costs increased marginally by RMB4.1 million or 3.0% to approximately RMB138.1 million in FY2022 (FY2021: RMB134.0 million), mainly due to higher floating interest rate on U.S. dollar loans.

	FY2022 RMB ('000)	FY2021 RMB ('000)	FY2020 RMB ('000)
Revenue	**166,125**	**228,816**	**231,035**
Sale of Properties	891	33,649	63,996
Rental Income	165,234	195,167	167,039
Gross profit	**118,637**	**158,075**	**138,252**
Sale of Properties	32	11,649	17,711
Rental Income	118,605	146,426	120,541
Total Assets	**6,131,324**	**6,837,731**	**7,234,799**
Total Liabilities	**4,095,561**	**4,744,156**	**4,615,510**
Total Equity	**2,035,763**	**2,093,575**	**2,619,289**

FINANCIAL REVIEW

The Group's other losses increased RMB114.2 milllion for FY2022, mainly due to:

- As at 31 December 2022, an independent valuation was carried out by Colliers International (Hong Kong) Limited on the investment properties held by the Group. Based on the valuation report, the Group recognised a fair value loss of RMB4.9 million in FY2022 as weakening of commercial property market in Chongqing in 2022;

- Separately, as at 31 December 2022, KPMG Advisory (Hong Kong) Limited was commissioned to provide an updated and independent valuation on Beijing New Everbright Centre. Based on the valuation and distribution report, the Group recognised a fair value loss of RMB411.8 million in FY2022 mainly due to tougher policies maintained by local authorities in property sector, prolonging the property development and sales period. These factors have also resulted in higher development expenditures such as finance costs, leading to a reduction of forecasted margin of the project, leading to the significant decrease in the fair value of the financial asset, at fair value through profit or loss ("**FVPL**");

- The increase in unrealised foreign currency exchange gains from the revaluation of financial liabilities denominated in RMB which weakened against the Company's function currency in SGD; and

- Reversal of other tax payable on waived distribution under PCS, net-off by write-down recognised for completed properties.

For FY2022, the Group enjoyed net tax credit mainly due to recognition of deferred income tax as a result of the decrease in fair value of investment properties and financial asset, at FVPL.

Overall, the Group reported a net loss of approximately RMB341.2 million attributable to the equity holders of the Company in FY2022 (FY2021: net loss of RMB254.1 million), mainly due to the decrease in revenue during the period under review as well as the higher fair value loss on financial asset, at FVPL recognised in FY2022.

FINANCIAL POSITION

As at 31 December 2022, the Group's total assets decreased by 10.3% or RMB706.4 million, to approximately RMB6,131.3 million (31 December 2021: RMB6,837.7 million), mainly due to (i) a decrease in the fair value of investment properties and financial asset, at FVPL of RMB416.7 million, (ii) a decrease in development properties of RMB72.3 million which was attributed to a write down of completed properties, and (iii) a decrease in cash and cash equivalents of RMB197.2 million mainly due to the repayment of loan principal and borrowings interest during the year under review.

The Group's total liabilities decreased by 13.7% or RMB648.6 million, to RMB4,095.6 million (31 December 2021: RMB4,744.2 million), mainly due to a decrease in trade and other payables of RMB544.8 million arising from lower other payable to a related party of RMB404.3 million mainly due to the waiver of distribution of PCS and the reversal of other tax payable amounted to RMB110.9 million on waived distribution under PCS, and a decrease in deferred tax liabilities of RMB105.8 million as at 31 December 2022.

The Group's total equity declined from RMB57.8 million to RMB2,035.8 million as at 31 December 2022 (31 December 2021: RMB2,093.6 million), mainly due to an increase in currency translation deficit of RMB128.6 million and a deficit balance of non-controlling interests of RMB5.5 million, partially offset by a decrease in accumulated losses of RMB76.3 million.

CASH FLOW

In FY2022, the Group's unrestricted cash and cash equivalent decreased by RMB245.3 million, which was mainly attributed to (i) net cash inflow of RMB6.6 million from operating activities; and (ii) net cash outflow of RMB251.9 million used in financing activities.

The net cash inflows in operating activities of RMB6.6 million was mainly attributable to the interest received of RMB6.8 million, which was net off against the cash used in operations and income tax paid during FY2022.

Net cash outflows in financing activities of RMB251.9 million was mainly due to the net repayment of borrowings amounting to RMB71.9 million, interest paid of RMB134.6 million, and an increase in restricted deposits with financial institutions amounting to RMB45.4 million.

Overall, the Group's unrestricted cash and cash equivalents stood at RMB111.82 million as at 31 December 2022 (31 December 2021: RMB354.3 million).

OPERATIONS REVIEW

Generally linked to the country's economic growth, the real estate market forms an integral part of the domestic economy.

The Chinese economy has had a strong start in early 2022 but the re-emergence of new, highly transmittable variants of COVID-19 has disrupted China's growth normalisation.

While guided by China's official GDP growth target of 5.5% in 2022, China only managed to register economic growth of 3.0% in 2022, slumping to one of its lowest levels in nearly half a century.

On 31 May 2022, the Chinese government unveiled a package of 33 measures covering fiscal, financial, investment and industrial policies to revive the economy, underscoring Beijing's shift toward growth. As part of the measures, China will expand private investment, accelerate infrastructure construction and stimulate purchases of cars and home appliances to stabilise investments. The Shanghai and Shenzhen stock exchanges also published rules to allow listed real estate investment trusts (REITs) to raise fresh money to fund acquisition of infrastructure projects.

China's property industry was among the biggest drags on economic growth in 2022. Investment in the property sector fell 10.0% Y-o-Y in 2022, the first decline since records began in 1999, and property sales slumped the most since 1992. Adding to the challenges facing the economy and the government, China's population in 2022 fell for the first time since 1961.

In November 2022, the Chinese Government announced a comprehensive series of regulatory measures that are aimed at strengthening developers' liquidity, providing additional funds for project completion and reviving homebuyers' confidence.

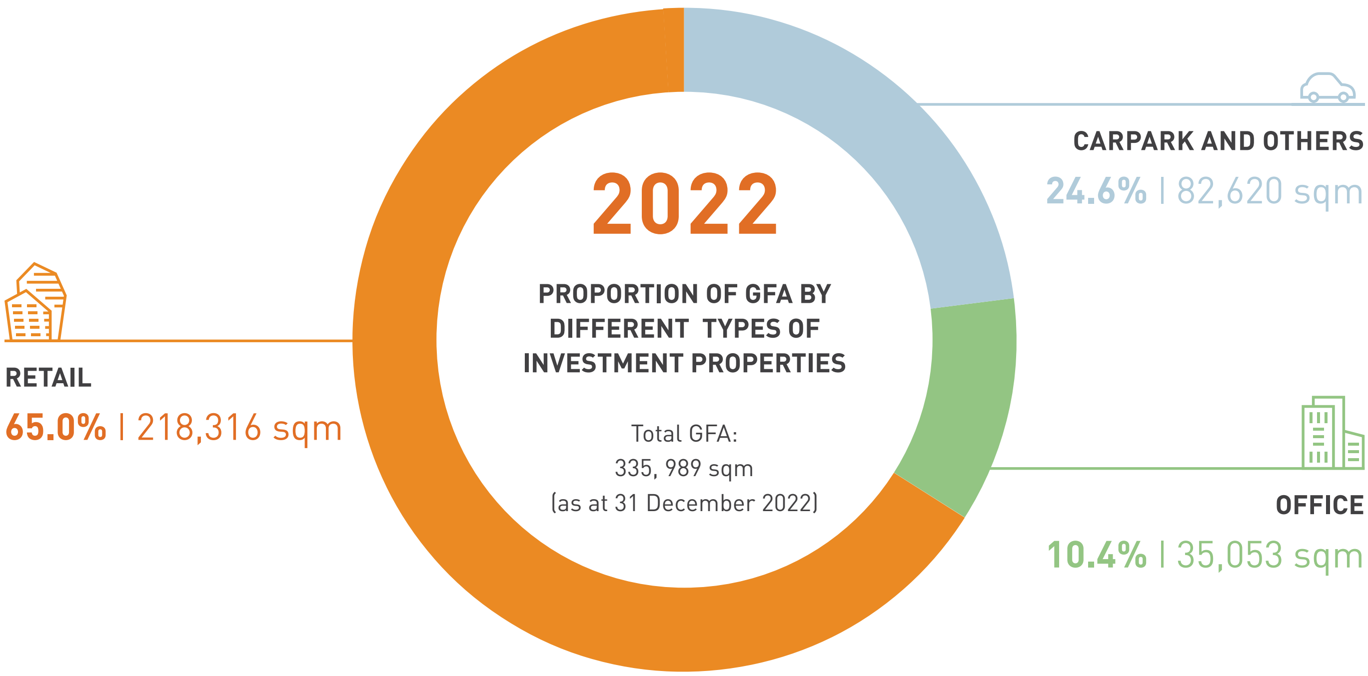
Near the end of 2022, the Chinese authorities adjusted their "dynamic zero Covid-19" policy stance, which has boosted expectations of an economic revival in 2023. According to Chinese officials, China will focus on stabilising its economy in 2023 and step up policy adjustments to ensure key targets are hit. Separately, it was also reported that China's 2023 monetary stimulus will at least match those in 2022.

At the annual National People's Congress which was held in March 2023, it was announced that China would aim for an economic expansion of around 5% for 2023.

Against the backdrop of the evolving macro-economic challenges and uncertain market conditions, the Group has undertaken a strategic review in calibrating our business model, moving from asset heavy to asset light, focusing on property management services 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 that are unrelated to the real estate market but aligned with China's 14th Five-year Development Plan (2021 to 2025).

The Group's core real estate business activities are based in Chongqing and its investment property portfolio comprises integrated office and retail developments, residential properties and commercial properties.

As at 31 December 2022, the Group's investment properties have a total gross floor area ("**GFA**") of 335,989 square metres ("**sqm**") which comprises four



OPERATIONS REVIEW

main segments of retail (approximately 65%), office (approximately 10%), carpark and others (approximately 25%).

In 2022, Chongqing became China's fourth largest city in terms of GDP, with Shanghai, Beijing and Shenzhen maintaining their top three spots. Notwithstanding the pandemic, drought and power cuts in the second half of 2022, the annual GDP of the Chongqing saw a 2.6% Y-o-Y GDP growth in 2022 to reach RMB2.91 trillion.

Chongqing has set the GDP growth target at over 6% for 2023, according to the annual session of the Municipal People's Congress, which was held in January 2023. The aim is for Chongqing to become a first-tier city by the 30th anniversary of its direct administration in 2027, with its GDP and GDP per capita crossing RMB4 trillion and RMB120,000 respectively.

Adhering to the Group's core values, Management is committed to the strategy of developing a cross-border property investment and asset management platform, focusing on strengthening its core operating activities and increasing the quality of its business development.

With the rising trend of eco-investment and development, the Group aims to leverage on the cross-border asset management capabilities, listing status in Singapore and track record in Chongqing to implement the Group's transformation towards emerging opportunities in China's real estate market.

SECTOR REVIEW

Chongqing Office Market

According to a Savills report issued in January 2023, the office market saw a limited recovery in external demand. Two projects, Chongqing Raffles City Tower C in Jiefangbei Area and Guoxin Financial Centre in Xinpaifang Area, entered the market in 2022, with a total leasing stock of about 75,000 sqm, bringing the citywide office stock to 2.55 million sqm. As the leasing demand was subdued due to the epidemic, landlords tended to lower their rents to keep their projects competitive, resulting in rents falling by 1.7% YoY to an average of RMB83.7 psm per month. Though recovery can be expected in 2023, it will take some time before it transpires as uncertainties remain in the macroeconomic environment.

Chongqing Retail Market

In a separate Savills report issued in January 2023, the retail property market in Chongqing added about 280,000 sqm of new supply in 2022. Due to the closure of Far East Development Store Metropolis and Grand Ocean, the total stock of quality retail properties in the city remained at 7.7 million sqm (including department stores). The demand for retail properties remained sluggish throughout 2022, and the recovery of in-store consumption was hampered by a combination of factors such as the recurring epidemic and extreme weather conditions. The overall vacancy rate in the city rose 4.4% Y-o-Y to 19.9%. Nearly one million sqm of new supply is expected to enter the retail property market in the next three quarters. With this prospect of huge market supply, the market could face considerable pressure, with the overall vacancy rate not expected to fall back quickly in the short term. Furthermore, as the post-epidemic era begins after China's reopening, especially with the rapid growth in the proportion of online consumption, creating personalised consumption experiences and meeting diversified consumption needs should lead to the recovery of customer traffic in brick-and-mortar retail.

OPERATIONS REVIEW

Sale of Properties Segment

The Group currently has two real estate projects in Chongqing which are under development, namely Lion City Garden, a retail/residential property project and IEC a commercial property project.

The Lion City Garden is at Phase 2D of development, while the bespoke development IEC project is at Phase 2B. Majority of the buyers of IEC's Phase 1A and Phase 2A have already taken over the ownership of their respective units and are progressively conducting businesses. Management is also evaluating the options and appropriate timing to develop the unutilised land portions of these two projects.

Leasing of Properties Segment

On the office rental segment, the Group continues to focus on retaining existing quality tenants and attracting new tenants by integrating new innovations, creating conducive spaces and more agile workspaces.

Similarly, for the retail rental segment, the Group continues to closely monitor new retail trends and create new retail concepts and experiences with its tenants so that its retail properties continue to be relevant and interesting amidst an increasingly competitive retail market.

Investment Project

The Group's investment in Beijing New Everbright Centre, located in Beijing Tongzhou, has been undergoing construction with a total of 3 phases. Construction of Phase 1, which comprises four SOHO towers, has been completed.

Construction of Phase 2, which comprises two office towers and a retail podium, part of the retail podium under the Phase 2 construction is still undergoing some interior design works and is expected to be completed in 2024, one of the office towers has been sold and handover while the remaining office tower has been put up for sale to prospective buyers. Phase 3 comprises one premium office tower and a retail podium, of which the project management team is reviewing the development plan so as to align with the additional policies initiated by local authorities for the property industry.

OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2022

Completed

FUTURE INTERNATIONAL

TYPE: **Retail / Office**

LAND AREA: **8,667 sqm**

TOTAL GFA: **136,369 sqm**
Office: 53,416 sqm
Retail Mall: 60,501 sqm
Car Park / Others: 22,452 sqm

GFA OWNED: **82,009 sqm**

Future International is located at the heart of the Chongqing's Guanyinqiao central business district ("**CBD**"), the busiest shopping and entertainment district in Chongqing. Guanyinqiao CBD is famed for its pedestrian street, one of the top ten pedestrian streets in the People's Republic of China ("**PRC**"). As the first Grade A office skyscraper, Future International and its surrounding landscape brought about the beginning of the transformational developments in Guanyinqiao, leading to its current prime CBD status today. The project was awarded the Highest Contribution Landmark Commercial Building to Chongqing's Landscape Transformation in 2010.

The office space of Future International has been fully sold, while the retail mall is retained by the Group and operating on long-term lease arrangements with three main master tenants.

OPERATIONS REVIEW

Completed

YING LI INTERNATIONAL FINANCIAL CENTRE (IFC)/ YING LI IMIX PARK JIEFANGBEI (IMIX PARK JFB)

TYPE: **Retail / Office**

LAND AREA: **8,927 sqm**

TOTAL GFA: **177,327 sqm**
Office: 90,683 sqm
Retail Mall: 56,589 sqm
Car Park / Others: 30,055 sqm

GFA OWNED: **93,382 sqm**

IFC (office)/IMIX Park JFB (mall) is a renowned integrated development located strategically in the heart of Chongqing's traditional and core CBD, Jiefangbei. The development encompasses retail spaces tenanted by popular, fast-moving retail brands and a Grade A office tower with a diversified and prominent tenant base. IMIX Park JFB offers a large shopper catchment with a mix of retail, dining and lifestyle options through well-received brands such as Nike, Under Armour and Xiaomi, as well as a spectrum of notable F&B such as Starbucks and ARTEA and health/wellness/entertainment establishments. IFC houses a diversified and prominent tenant mix that includes OCBC, Industrial Bank, Guocoland, JCDecaux, Hong Kong Special Administrative Region representative office, Consulate-General of the Kingdom of the Netherlands in Chongqing and Sinopec Chongqing Branch.

OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2022

Completed

YING LI INTERNATIONAL PLAZA/ YING LI IMIX PARK DAPING (IMIX PARK DAPING)

TYPE: Retail/Office/Residential

LAND AREA: 28,226 sqm

TOTAL GFA: 408,645 sqm
Residential / SOHO: 117,957 sqm
Office: 82,489 sqm
Retail Mall: 109,990 sqm
Car Park / Others: 98,209 sqm

GFA OWNED: 132,564 sqm

Located in the bustling residential cluster of Yuzhong District in Chongqing, this integrated development enjoys excellent connectivity via the surrounding major thoroughfares, including an underground subway interchange. This development encompasses a retail mall, a Grade A office tower, a SOHO tower and three residential towers. With a family-children and entertainment theme to better cater to local catchment needs, IMIX Park Daping increased its proportion of service-based retailers such as health and wellness chains, education centres and entertainment.

OPERATIONS REVIEW

Under development

SAN YA WAN PHASE 2 (LION CITY GARDEN)

TYPE: Retail/Residential

LAND AREA: Approximately 134,000 sqm

TOTAL GFA: Approximately 348,000 sqm

TOTAL SALES AND CONTRACTED PRE-SALES AS AT 31 DECEMBER 2022:
RMB899.0 million

The Lion City Garden project occupies a strategic location in the Liangjiang New Area, Chongqing. The project comprises premium residential townhouses, high-rise apartments, as well as retail outlets. The Lion City Garden project is in close proximity to transportation nodes, shopping and lifestyle amenities, as well as popular schools. The San Ya Wan station on Metro Line 10 situated directly in front of the project has commenced operations at the end of 2017. Handovers of Phase 2A, Phase 2B and Phase 2C of the project have commenced in 2015, 2016 and 2016/2017 respectively. Phase 2D is a commercial development project with a GFA of approximately 50,000 sqm and is under planning stage. Management is evaluating the options and appropriate timing to develop the unutilised land of this project.

OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2022

Under development

YING LI INTERNATIONAL HARDWARE AND ELECTRICAL CENTRE (IEC)

TYPE: Commercial (Build-to-order Wholesale Centre, Retail, Hotels, SOHO, Logistics Distribution Centre)

LAND AREA: Approximately 361,000 sqm

TOTAL GFA: Approximately 639,000 sqm

TOTAL SALES AND CONTRACTED PRE-SALES AS AT 31 DECEMBER 2022:
RMB1,454 million

Nestled in Jiangjin Shuangfu District, the up-and-coming secondary CBD of Chongqing, IEC is the Group's first bespoke mixed-development project. This considerable-sized project comprises a wholesale centre, retail outlets, hotels, SOHO and logistics distribution centre. Aimed at amalgamating and strengthening the fragmented traditional hardware and electrical market in Chongqing, this project is a strategic collaboration between the Group and local related associations. The development of remaining approximately 200,000 sqm GFA is at planning stage. Management is evaluating the options and appropriate timing to develop the unutilised land portions of this project.

OPERATIONS REVIEW

Under development

BEIJING NEW EVERBRIGHT CENTRE – BEIJING TONGZHOU

TYPE: SOHO/Office/Retail

LAND AREA: Approximately 57,000 sqm

TOTAL GFA: Approximately 770,000 sqm

TOTAL SALES AND CONTRACTED PRE-SALES AS AT 31 DECEMBER 2022:
RMB8.48 billion

Beijing Tongzhou district officially became Beijing's new Municipal Administration Centre in 2017. According to the plan released by the Beijing Government in March 2017, Beijing Tongzhou district is expected to accommodate a population of 1.3 million by 2030 and will also serve as a hub for business, culture and tourism. With the commencement of one of the new railway lines linking Beijing's CBD with Tongzhou at the end of 2017, commuters only require 28 minutes of travelling time between the two districts. With an investment stake via a fund structure, this project is the Group's first venture outside of Chongqing. Phase 1 construction, consisting of four SOHO towers, has been completed. Phase 2 construction, which comprises two office towers and a retail podium, part of the retail podium under the Phase 2 construction is still undergoing some interior design works and is expected to be completed in 2024, one of the office towers has been sold and handover while the remaining office tower has been put up for sale to prospective buyers. Phase 3 construction, which consists of one premium office tower and the remaining part of the retail podium, was at the piling stage as of end December 2022.

OTHER PROJECTS AT A GLANCE

1997

MINSHENG MANSION

First skyscraper in Yuzhong district

TYPE: Commercial & Residential
COMPLETION DATE: December 1997
TOTAL GFA (SQM): 63,342

2000

ZOU RONG PLAZA

Chongqing's first financial industry focused project

TYPE: Commercial & Residential
COMPLETION DATE: December 2000
TOTAL GFA (SQM): 102,502

2004

SOUTHLAND GARDEN

Chongqing's first high-end residential project

TYPE: Residential & Retail
COMPLETION DATE: December 2004
TOTAL GFA (SQM): 57,009

2005

NEW YORK NEW YORK

Received one of China's highest architectural accolades

TYPE: Commercial
COMPLETION DATE: March 2005
TOTAL GFA (SQM): 41,337

2007

BASHU CAMBRIDGE

One of first enterprise educational institution partnerships

TYPE: Residential & Retail
COMPLETION DATE: February 2007
TOTAL GFA (SQM): 43,086

2009

SAN YA WAN PHASE 1 AND 1A

One of the largest integrated seafood wholesale center in western PRC

TYPE: Commercial
COMPLETION DATE: April 2009
TOTAL GFA (SQM): 72,000

INVESTMENT PROPERTIES PORTFOLIO

As At 31 December 2022

	1997	2000	2004	2005
	MINSHENG MANSION	ZOU RONG PLAZA	SOUTHLAND GARDEN	NEW YORK NEW YORK
ADDRESS	No. 181 Minsheng Road, Yuzhong District, Chongqing	Nos. 141 to 155 Zourong Road, Yuzhong District, Chongqing	Nos. 46 to 52 Cangbai Road, Yuzhong District, Chongqing	No. 108 Bayi Road, Yuzhong District, Chongqing
USAGE	Office, Retail and Car Park	Office, Retail and Car Park	Retail and Car Park	Car Park
LAND USE RIGHT EXPIRY:	Commercial – September 2033	Commercial – January 2046	Commercial – November 2042	Commercial – January 2042
COMPLETION DATE:	December 1997	December 2000	December 2004	March 2005

INVESTMENT PROPERTIES PORTFOLIO

As At 31 December 2022

	2006	2007	2011	2013
	FUTURE INTERNATIONAL	**BASHU CAMBRIDGE**	**YING LI INTERNATIONAL FINANCIAL CENTRE/ YING LI IMIX PARK JIEFANGBEI**	**YING LI INTERNATIONAL PLAZA/ YING LI IMIX PARK DAPING**
ADDRESS	No. 6 Guanyinqiao Pedestrian Street, Jiangbei District, Chongqing	No. 8 Bashu Road, Yuzhong District, Chongqing	Nos. 26 & 28 Minquan Road, Yuzhong District, Chongqing	No. 19 Daping Zheng Jie Road, Yuzhong District, Chongqing
USAGE	Retail and Car Park	Retail and Car Park	Retail, Office and Car Park	Retail and Car Park
LAND USE RIGHT EXPIRY:	Commercial – March 2045	Commercial – September 2044	Commercial – December 2044	Commercial – July 2050
COMPLETION DATE:	December 2006	February 2007	December 2011	December 2013

BOARD OF DIRECTORS

MR. ZHANG MINGAO

Non-Executive and Non-Independent Chairman

Mr. Zhang Mingao was appointed to the Board on 14 November 2019. He was last re-elected on 22 May 2020. Mr. Zhang is the Non-Executive and Non-Independent Chairman and a member of the Remuneration Committee of the Company.

Mr. Zhang is an Executive Director, the Chairman of the Management Decision Committee and the President of CEL. He is also the Chairman of the Executive Board Committee and the Environmental, Social and Governance Committee, a member of the Strategy Committee of the Board, as well as a director of a number of subsidiaries of CEL. He is responsible for the overall operation of CEL.

Mr. Zhang is also the Chairman of Everbright Jiabao Co., Ltd., (stock code: 600622.SH) and the Chairman of the Board and an Executive Director of China Aircraft Leasing Group Holdings Limited (stock code: 1848.HK).

He was the General Manager of Asset Management Department of China Everbright Bank Company Limited (stock code: 601818.SH, 6818.HK) ("Everbright Bank"). Since Mr. Zhang joined Everbright Bank in 1999, he had served as the Risk Director of Everbright Bank (Suzhou Branch), the Risk Director of SME Department of Everbright Bank (Headquarter) and the President of Everbright Bank (Wuxi Branch). Mr. Zhang holds a Bachelor of Economics degree in Rural Financial Professional from the College of Economics and Trade of Nanjing Agricultural University. He has over 30 years of industry and management experience in the financial industry.

DR. YANG HAISHAN

Non-Executive and Non-Independent Director

Dr. Yang Haishan was appointed to the Board on 5 June 2020. He was last re-elected on 29 April 2021. Dr. Yang is the Non-Executive and Non-Independent Director of the Company. He is a member of the Nominating Committee. Dr. Yang is the Managing Director of Real Estate Investment and Management Centre at CEL. Before joining CEL, he was a Deputy General Manager with Beijing Lichun Asset Management. Prior to that, he served as a General Manager of Equity Investment at Dacheng Innovative Capital Management and an Investment Management Director at China Investment & Development.

Dr. Yang has over 20 years of cross-border experience in real estate portfolio strategy, fund and investment management and private equity in real estate. Dr. Yang received his Bachelor of Engineering from Chongqing University in China and his Doctor of Philosophy in Real Estate Finance from National University of Singapore.

The Group Chief Executive Officer ("CEO")'s duties has been temporarily undertaken by Dr. Yang with effect from 7 December 2020.

BOARD OF DIRECTORS

MR. WANG HONGYANG

Non-Executive and Non-Independent Director

Mr. Wang Hongyang was appointed as the Non-Executive and Non-Independent Director of the Company on 21 December 2021. He was last re-elected on 27 April 2022. He is a member of the Audit Committee and the Risk Management Committee.

Mr. Wang is an Executive Director and the Vice President of CEL, who is in charge of finance. He is also a member of the Executive Board Committee and the Environmental, Social and Governance Committee of the Board, a member of the Management Decision Committee of CEL, as well as a director of a number of subsidiaries of CEL. He joined CEL in 2016 and served as the Deputy Chief Financial Officer. Mr. Wang is a Supervisor of Everbright Securities Company Limited (stock code: 601788.SH, 6178.HK) and a Non-Executive Director of China Aircraft Leasing Group Holdings Limited (stock code: 1848.HK). Prior to joining CEL, Mr. Wang had worked in KPMG Huazhen for over 15 years and served as a partner. He holds a Bachelor's degree of Arts in English Literature and a Certificate of Second Major in International Economics and Trade from Beijing Foreign Studies University. He is also a non-practicing member of the Chinese Institute of Certified Public Accountants and a member of the Institute of Internal Auditors.

MR. CHIA SENG HEE, JACK

Lead Independent Director

Mr. Chia Seng Hee, Jack was appointed as the Lead Independent Director of the Company on 27 July 2018. He was last re-elected on 29 April 2021. He is the Chairman of the Audit Committee, the Nominating Committee and the Risk Management Committee.

Mr. Chia graduated from the National University of Singapore with a degree in Accountancy, from the International University of Japan with a Masters degree in International Relations and is a Fellow of the Institute of Singapore Chartered Accountants. He also attended the General Management Program at Harvard Business School.

After some twenty years in various capacities with Arthur Andersen, Singapore Technologies and the Government of Singapore Investment Corporation (GIC), he was appointed a role in government as Senior Director (China Operations) at the Enterprise Singapore Board, based at the Consulate General of Singapore in Shanghai, as Consul (Commercial).

Mr. Chia is currently a professional director, specialising in corporate governance. His present directorships in other listed companies include mm2 Asia Ltd., CDW Holding Limited and CFM Holdings Limited. Mr. Chia brings to the Group significant experience in corporate governance and risk management.

BOARD OF DIRECTORS

MR. TAN SEK KHEE

Independent Director

Mr. Tan Sek Khee was appointed as an Independent Director of the Company on 29 April 2013. He was last re-elected on 27 April 2022. He is the Chairman of the Remuneration Committee and a member of the Audit Committee. He is also currently an Independent Director of SGX-listed company, ASL Marine Holdings Limited. Mr. Tan also serves as shareholding partner & director of several private companies located in Singapore, Indonesia, Thailand and China. Mr. Tan brings to the Group extensive experience in general management, business development, marketing, procurement and logistics. He has more than 30 years of corporate and business experience in Singapore, Indonesia, Thailand and China.

Mr. Tan graduated with a Bachelor's degree of Commerce from Nanyang University in 1979. He is also a registered member of Singapore Institute of Directors.

MR. CHEN GUODONG

Independent Director

Mr. Chen Guodong was appointed as an Independent Director of the Company on 14 June 2019. He was last re-elected on 27 April 2022. He is a member of the Nominating Committee and the Remuneration Committee. He graduated from University of Science and Technology of China with a Bachelor's degree of Management in 1987. In 1990, he graduated from Renmin University of China with a Master's degree of Economics and Management, and subsequently held a teaching post for 4 years at Renmin University of China. Mr. Chen joined Lenovo Group in 1994 and served successively as General Manager of Lenovo Industrial Co., Ltd., Vice President of Lenovo Group, Executive Vice President of Legend Capital, Vice President of Legend Holdings and President of Rong Ke Zhi Di Real Estate Co., Ltd. Mr. Chen is now a partner at Zhongguancun M&A Fund (also known as Z-Park Fund).

MDM. MA JIEYU

Independent Director

Mdm. Ma Jieyu was appointed as an Independent Director of the Company on 28 May 2021. She was last re-elected on 27 April 2022. She is a member of the Risk Management Committee.

She has accumulated several years of professional experience and knowledge working in various financial institutions. From February 2017 to March 2020, she was the Chief Supervisor of China Construction Bank Pension Management Co., Ltd. From October 2014 to February 2017, she was Deputy General Manager - Headquarters (Institutional Business Department) of China Construction Bank. She was Vice President of CCB Financial Leasing Corporation Limited from December 2007 to October 2014. Mdm. Ma holds a Bachelor of Science degree in Mathematics from Chongqing Normal University.

KEY MANAGEMENT

MR. REN CHAO

Group Vice President

Mr. Ren Chao was appointed as the Group Vice President on 11 March 2022. He is responsible for the daily operation of the Group and any other tasks assigned by the Group CEO, including, but not limited to, maintaining the Group's relationship with Chongqing's Government Administrative Department and to liaise with potential business partners for business opportunities.

From June 2015 to March 2022, he was a Consultant at Jiangsu Chuangyou Holding Group Co., Ltd., Chongqing Land Construction Group Co., Ltd., Chongqing Jingji Agriculture Co., Ltd. and Chongqing Hengyao Industrial Holding Group Co., Ltd. From December 2008 to June 2015, he was the Chairman of Chongqing Traffic Investment Co., Ltd.

Mr. Ren graduated from Chongqing Jiaotong University, majoring in Road and Bridge Engineering.

MR. ZHANG HANQIU

Group Vice President

Mr. Zhang Hanqiu was appointed as the Group Vice President on 1 September 2020. He is responsible for the daily operations of the Group and any other tasks assigned by the Group CEO. He has over two decades of working experience in real estate project investment, design, management and operation.

Mr. Zhang previously worked at Guangdong Zhujiang Investment Co., Ltd. and Hopson Development Holdings Limited as Vice President. Subsequently, Mr. Zhang joined EBA (Beijing) Asset Management Co., Ltd. in 2015 and was in charge of numerous comprehensive projects development and management.

Mr. Zhang Hanqiu graduated from Chongqing University with a Bachelor's degree in Architect.

MR. KOOI WEI BOON

Group Chief Financial Officer

Mr. Kooi Wei Boon was appointed as the Group Chief Financial Officer ("CFO") on 16 September 2019. He is responsible for overseeing the Group's financial functions including accounting, financial and management reporting, financing, capital management, tax, treasury and financial analysis.

Mr. Kooi has extensive experience in finance industry and accounting profession for approximately 16 years. Prior to joining the Group, Mr. Kooi was the Vice General Manager of a property development group in China and he was responsible for the financial functions of the Group. Mr. Kooi has approximately 10 years audit experiences in international well-known public accounting firms and was involved in several international IPO audit engagements.

Mr. Kooi graduated with a Bachelor of Accounting (University Science of Malaysia) and is also a member of the Association of Chartered Certified Accountants.

MR. TIAN YE

General Manager of Investment Management Department

Mr. Tian is the General Manager of the Investment Management Department of the Group and is mainly responsible for strategic planning, investment and development, asset disposals, sales management, etc. Mr. Tian graduated from Chongqing University, majoring in construction management with a bachelor's degree. He has obtained Registered Qualification Certificate for Registered Cost Engineer and Registered Qualification Certificate for Registered Supervisor in China and is a member of the Chongqing Tendering & Bidding Expert Database. He has years of management experience in state-owned enterprises and years of real estate development management experience. Prior to joining the Group, Mr. Tian served as Assistant General Manager of Chongqing Haishanghai Real Estate Co., Ltd. and Chongqing Huaxin International Industrial Co., Ltd.

MS. ZENG RONG

General Manager of Law and Compliance Department

Ms. Zeng Rong, General Manager of Law and Compliance Department of the Group, is mainly responsible for the in-house legal, supervisory and compliance management activities of the Group. Ms. Zeng holds a Bachelor's degree in Law and a Master's degree in Law. Prior to joining the Group, Ms. Zeng has worked in Socam, Sino Group and other law firms, accumulating more than 16 years of experience in corporate legal management and law practice.

MS. QU MINLI

Deputy General Manager of Corporate Finance Department

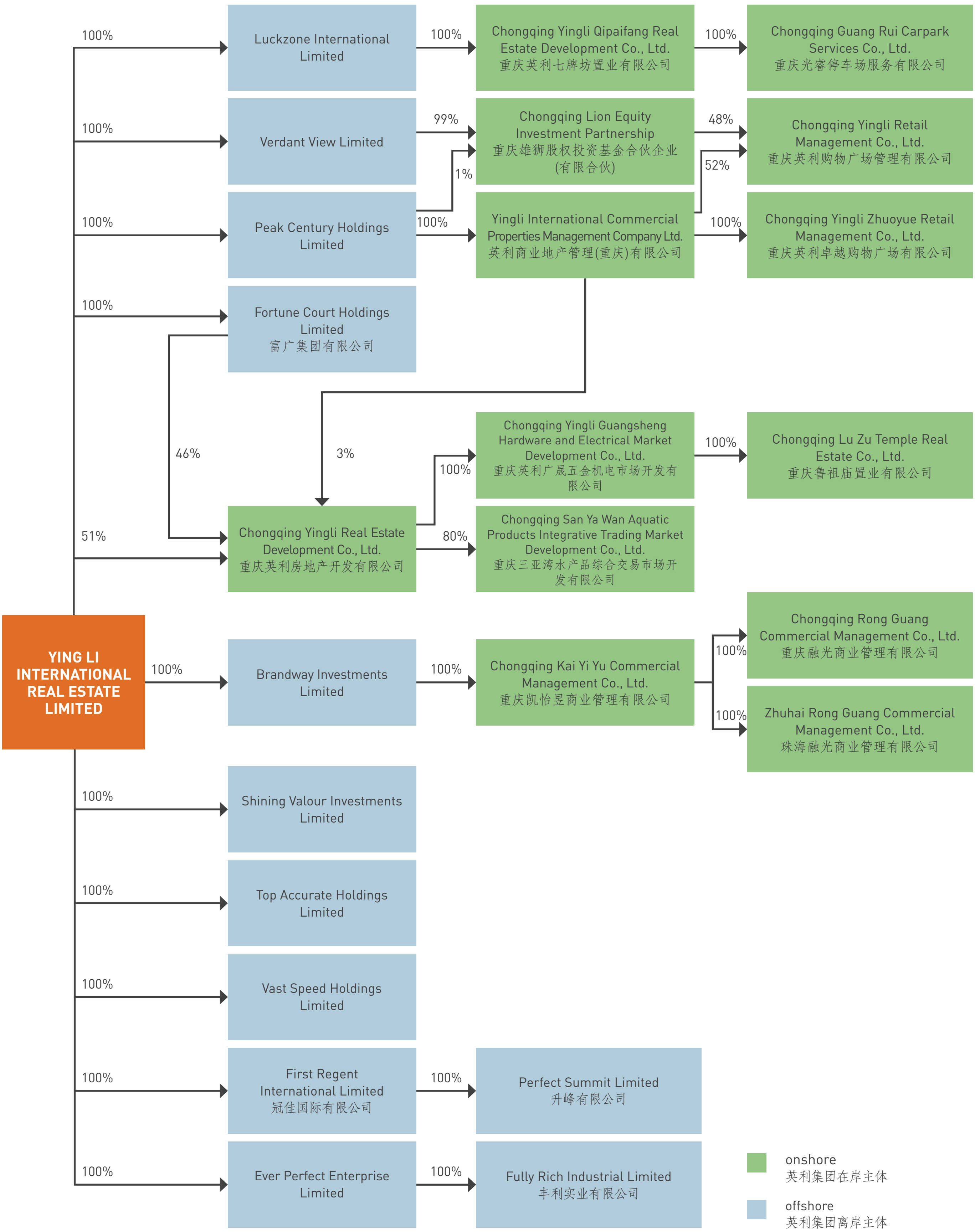
Ms. Qu Minli is the Deputy General Manager of Corporate Finance Department of the Group. Having an extensive experience in the finance industry, she is responsible for overseeing financial activities concerning reporting and financing of the Group. Prior to joining the Group, Ms. Qu was the Chief Financial Officer at EBA (Beijing) Asset Management Co., Ltd.'s Guangzhou Project.

MS. YANG MEI

Group Financial Controller

Ms. Yang Mei was appointed as Group Financial Controller of the Group on 13 July 2018. She oversees the financial functions in relation to accounting, financial and management reporting, tax, treasury and financial analysis. In addition, she is also responsible for liaising with external parties in respect of the Group's financial matters. She has been in the accounting profession for more than 10 years. Prior to joining the Group, Ms. Yang was the Group Financial Controller of China Minzhong Food Corporation Limited and an audit manager at Crowe Horwath First Trust LLP Singapore. Ms. Yang is fellow member of the Association of Chartered Certified Accountants and is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

CORPORATE STRUCTURE



CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER
199106356W

BOARD OF DIRECTORS
Zhang Mingao
(Non-Executive and Non-Independent Chairman)
Yang Haishan
(Non-Executive and Non-Independent Director)
Wang Hongyang
(Non-Executive and Non-Independent Director)
Chia Seng Hee, Jack
(Lead Independent Director)
Tan Sek Khee
(Independent Director)
Chen Guodong
(Independent Director)
Ma Jieyu
(Independent Director)

AUDIT COMMITTEE
Chia Seng Hee, Jack
(Chairman)
Tan Sek Khee
Wang Hongyang

RISK MANAGEMENT COMMITTEE
Chia Seng Hee, Jack
(Chairman)
Wang Hongyang
Ma Jieyu

NOMINATING COMMITTEE
Chia Seng Hee, Jack
(Chairman)
Yang Haishan
Chen Guodong

REMUNERATION COMMITEE
Tan Sek Khee
(Chairman)
Zhang Mingao
Chen Guodong

COMPANY SECRETARIES
Abdul Jabbar Bin Karam Din (Hons)
Toh Li Ping, Angela (ACIS)

REGISTERED OFFICE
6 Temasek Boulevard #21-01
Suntec Tower Four
Singapore 038986
Tel: (65) 6334 9052
Fax: (65) 6334 9058
Email address: ir@yingligj.com

SHARE REGISTRAR
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITORS
CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants
80 Robinson Road #25-00
Singapore 068898

AUDIT DIRECTOR-IN-CHARGE
Meriana Ang Mei Ling
Date of Appointment:
With effect from financial year ended 31 December 2021

PRINCIPAL BANKERS
China Construction Bank
Standard Chartered Bank
China Minsheng Bank
Oversea-Chinese Banking Corporation Limited

AWARDS AND ACCOLADES

2020 HEALTH & WELLNESS INNOVATION ORGANIZATION
2020康养产业创新机构

Jointly awarded by Shangyou News of Chongqing Daily Newspaper Group and Chongqing Healthcare and Wellness Service Association
重庆日报报业集团上游新闻和重庆市养生健康服务业协会联合颁发

2018 NATIONAL GREEN MALL – YING LI IMIX PARK JIEFANGBEI MALL
2018全国绿色商场创建单位-重庆解放碑英利大融城商场

Awarded by Ministry of Commerce of the PRC
中国商务部

2017 CHONGQING REAL ESTATE DEVELOPMENT ASSOCIATION TOP 50 ENTERPRISES
2017第十届重庆市房地产开发协会会员企业 50强

Awarded by Chongqing Municipality's Real Estate Development Association
重庆市房地产开发企业50强

2017 FIVE-STAR RATED OFFICE BUILDING – YING LI INTERNATIONAL FINANCIAL CENTRE AND ZOU RONG PLAZA
2017五星级楼宇 - 英利国际金融中心和邹容广场

Awarded by Chongqing Yuzhong Municipal Government
重庆市渝中区人民政府

CHONGQING JIANGJIN FANGCHENGGANG INTERREGIONAL COOPERATION DEMONSTRATION PROJECT – IEC
重庆江津-广西防城港跨区域合作示范项目 - 英利国际五金机电城项目

Chongqing-ASEAN Hardware Machinery and Electrical Export Collection Center - IEC
重庆•东盟五金机电出口采集中心 - 英利国际五金机电城项目

2016 OUTSTANDING MEMBER AWARD
2016年度优秀会员单位

Awarded by Chongqing Real Estate Development Association
重庆市房地产开发协会

2015 MOST OUTSTANDING COMMERCIAL REAL ESTATE BUSINESS
2015中国商业地产优秀企业

Awarded by China Index Academy, Development Research Centre of The State Council, Tsinghua University
国务院发展研究中心企业研究所，清华大学房地产研究所，中国指数研究院

2014 – 2015 TRUSTWORTHY CREDIT ENTERPRISE
2014–2015年守合同重信用企业

Awarded by State Administration for Industry & Commerce of PRC
国家工商行政管理总局

CORPORATE AND TRAINING ACTIVITIES

CULTURE-BUILDING AND CORPORATE TRAINING ACTIVITIES OF YING LI IN 2022

(Photos of International Women's Day Event on March 8, 2022)

International Women's Day Event on March 8, 2022

Adhering to Ying Li's core value of "Foresight with Steady Progress, Advancement through Innovation", emphasising on humanistic care and enhancement of corporate culture, the Group underlook proactive efforts to organise the "International Women's Day Event" on 8 March 2022 so as to enhance the team's cohesiveness and create greater motivation among the employees.

(Commercial Real Estate Operation and Asset Management Training in April 2022)

Employee Training

Ying Li places strong emphasis on employee upskilling education and training. In 2022, the Group had organised a total of 23 professional knowledge and skill training programs for employees, with a focus on enhancing our employees' knowledge of commercial property operations and asset management experience as follows:

- April 2022 - Commercial Real Estate Operation and Asset Management Training
- May 2022 - Safety Education and Training for National Disaster Prevention and Mitigation
- June 2022 - Fire Safety Knowledge Training for Safe Operations in Summer Season
- July 2022 - Training on SGX's Regulatory Policies and Listed Company's Rules
- September 2022 - Training on the Practical Operational Highlights and Analysis of Legal Issues Related to Property and Leasing
- October 2022 - Environmental, Social and Governance training courses organised by the Singapore Institute of Directors ("SID") - SID Course Board Sustainable Development Training (Chinese version)
- November 2022 - Organised and conducted two online centralized learning sessions of "Gaining New Insights by Reviewing Past Mistakes" and "Taking Preventive Measures" for all employees; online seminar of "Analysis of Criminal Cases of State-owned Enterprises" was organised to enhance the importance and awareness of risk compliance for employees in the Company.

In addition, the Group had organised various institutional training and learning programs throughout the year. Through such programs, the employees of the Group can further heighten their safety compliance awareness, thereby ensuring the Group's operations can be implemented and executed seamlessly.

In accordance to the Group's strategic development plan, Ying Li organised a "Commercial Real Estate Operations and Asset Management Training" program in April 2022 to strengthen its team's knowledge and experience of commercial real estate operation and asset management, thereby improving their capital management capabilities in this area.

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CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") is committed to ensuring that the highest standards of corporate governance are practised throughout Ying Li International Real Estate Limited ("**Ying Li**" or the "**Company**" and together with its subsidiaries, the "**Group**") as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This report describes the Group's corporate governance practices and structures that were put in place during the financial year ended 31 December 2022 ("**FY2022**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 ("**Code**") and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"), the Companies Act 1967 of Singapore ("**Companies Act**") and the Guidebook for Audit Committees in Singapore, focusing on areas such as internal controls, risk management, financial reporting, internal and external audits. The Company has complied in all material respects with the principles and provisions in the Code. Where there is any deviation from any provisions of the Code, an explanation has been provided in this report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle. This report should be read in totality, instead of being read separately under each principle of the Code.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The Board of Directors is collectively responsible for and works with the management team of the Group ("**Management**") in, setting the Group's strategic direction, executing these strategies and strengthening the robustness of the Group. The Board will consider sustainability issues such as environmental and social factors as part of its strategic formulation in line with the provisions of the Code.

The principal duties and responsibilities of the Board include:

- providing entrepreneurial leadership to Management in setting the Company's overall long-term strategies and financial objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives, which include appropriate focus on value creation, innovation and sustainability;

- overseeing financial reporting and reviewing the financial results of the Group and financial reporting;

- monitoring the implementation of such strategies, constructively challenging Management and reviewing the business performance and the Group's performance;

- considering sustainability issues such as environmental, social and governance factors, as part of the strategic formulation including identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

- instilling an ethical corporate culture and ensuring the Company's values, standards and practices are consistent with its ethos and are adhered to, and ensuring that obligations to shareholders of the Company ("**Shareholders**") and other stakeholders are transparent, understood and met;

- approving the appointment of Directors of the Company ("**Directors**") and other key management personnel (as defined in the Code wherever it appears in this report), taking into consideration the recommendations of the Nominating Committee ("**NC**");

- approving the remuneration packages for the Executive Directors and key management personnel, taking into consideration the recommendations of the Remuneration Committee ("**RC**");

- establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and prudent and effective internal controls to safeguard the Shareholders' interests and the Group's assets, taking into consideration feedback and recommendations from the Audit Committee ("**AC**");

CORPORATE GOVERNANCE

- establishing prudent, adequate and effective internal controls and a risk management framework which enables applicable risks to be assessed and managed, including reviewing and approving the investment proposals from Management, taking into consideration the recommendations of the Risk Management Committee ("**RMC**");

- approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding, issuance of shares, dividends and proposals relating to Shareholder returns, the Group's half-yearly and full year results and material interested person transactions ("**IPTs**"); and

- ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct.

Provision 1.1 – Director's conflict of interest

All Directors of the Board exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries who act objectively in the best interests of the Company.

Directors facing conflicts of interest are required to recuse themselves from discussions and decisions involving the issues of conflict. They are also required to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. Where a Director has a conflict of interest, or it appears that he or she might have a conflict of interest, in relation to any matter, he or she is required to send a written notice to the Company containing details of his or her interest and the conflict, or to declare such interest at a meeting of the Directors (or in written resolutions to be passed), and recuse himself or herself from participating in any discussion and abstain from voting on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of meeting and/or Directors' Resolutions in writing of the Company.

Provision 1.2 – Induction, training and development of Directors

A formal letter is provided to each newly appointed Non-Executive Director (including Independent Director) upon his or her appointment, setting out his or her roles, duties, obligations and responsibilities whereas Executive Directors will be provided with Service Agreements setting out their terms of office and terms and conditions of appointment (including his or her roles, duties, obligations and responsibilities). The Director will then undergo an orientation programme to familiarise himself/herself with the business activities of the Group, its strategic direction and corporate governance practices. Arrangements are also be made for new Directors to meet Management for a better understanding of the businesses and operations of the Group.

In order to develop and maintain their skills and knowledge, and keep themselves abreast of new laws, regulations, changing commercial risks and accounting standards, all existing and new Directors will be informed of and encouraged to attend relevant courses, conferences and seminars in areas such as accounting, legal and industry-specific knowledge as appropriate, conducted by the Singapore Institute of Directors ("**SID**"), the SGX-ST, business and financial consultants, and external professionals on a regular basis at the Company's expense.

All Directors are encouraged to undergo at least three hours of training every year.

The Listing Manual provides that a director who has no prior experience as a director of an issuer listed on the SGX-ST ("**First-time Director**") must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one year from the date of his or her appointment to the Board ("**Mandatory Training**"). In exceptional circumstances, First-time Directors assessed by the NC to possess relevant experience need not attend Mandatory Training. In assessing the relevant experience, the NC must have regard to whether the experience is comparable to the experience of a person who has served as a director of an issuer listed on the SGX-ST. The NC must disclose its reasons for its assessment that the First-time Director possesses relevant experience. Such reasons shall be disclosed in the announcement of the appointment of the First-time Director as director of the issuer or in the prospectus, offering memorandum or introductory document. Notwithstanding this, the SGX-ST has the discretion to direct a First-time Director to attend Mandatory Training.

CORPORATE GOVERNANCE

No new Directors or First-time Directors were appointed during FY2022.

Pursuant to Rule 720(7) of the Listing Manual effective 1 January 2022, all Directors of the Company must undergo training on sustainability matters as prescribed by the SGX-ST and the Company is required to confirm in its sustainability report for FY2022 that all its Directors have attended the mandatory training on sustainability, unless the NC is of the view that training is not required because the Director has expertise in sustainability matters, of which, the basis of its assessment must be disclosed. As of 31 December 2022, all the Board members have completed the mandated sustainability training course organised by the SID.

Provision 1.3 – Matters requiring Board's approval

The Company has put in place a set of guidelines and clear directions to Management on matters reserved for the Board's decision and approval, and such matters are set out as follows:

- matters involving a conflict of interest between a substantial Shareholder or Director, and the Company;
- annual financial budget (including annual capital expenditure) of the Group;
- any variance with the annual financial budget which will cause, or will reasonably likely to cause, a diminution in the net asset value of the Group's latest audited financial accounts by more than 5%;
- entry into mergers and acquisitions (including divestment and liquidation), joint ventures and new projects which are regarded to be discloseable transactions, major transactions, very substantial acquisitions or reverse take-overs under Chapter 10 of the Listing Manual;
- entry into new loan agreements or debt securities issued by the Company or any of its subsidiaries that contain a condition (the "**Condition**") that make reference to the controlling shareholder's shareholding interest, and the breach of this Condition will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal of the loan or debt securities, significantly affecting the operations of the Company or results in the Company facing cash flow problems (for the avoidance of doubt, this does not include the renewal of, or extension of, existing borrowings); and
- any matter under Singapore laws, the Listing Manual or any rules, regulations or guidance which may be promulgated by the SGX-ST which requires (i) to be disclosed by the Company (including the matters set out in item 8 of Appendix 7.1 of the Listing Manual (as may be amended from time to time), (ii) the approval of the Board and/or (iii) approval of the Shareholders of the Company.

Provision 1.4 – Delegation by the Board

The Board has delegated specific responsibilities to four Board Committees, namely, the AC, the NC, the RC and the RMC. Information on each of the four Board Committees is set out below.

Each Board Committee reports to and are monitored by the Board, and has its own clear written terms of reference. The written terms of reference of each Board Committee sets out their composition, duties and relevant authority delegated by the Board for such committee to make decisions. These terms of reference also set out the conduct of meetings including quorum, voting requirements and qualifications for Board Committees' membership. Each Board Committee will review its terms of reference from time to time to ensure relevance. Board approval is required for any changes to the terms of reference for any Board Committee.

The Board acknowledges that while each Board Committee is authorised to decide or provide its recommendations on particular issues, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE

The composition of the Board and each Board Committee as at the date of this annual report is as follows:

NAME OF DIRECTOR	POSITION	BOARD COMMITTEE MEMBERSHIP AC	NC	RC	RMC
Zhang Mingao	Non-Executive and Non-Independent Chairman	-	-	Member	-
Yang Haishan	Non-Executive and Non-Independent Director	-	Member	-	-
Wang Hongyang	Non-Executive and Non-Independent Director	Member	-	-	Member
Chia Seng Hee, Jack ("**Jack Chia**")	Lead Independent Director	Chairman	Chairman	-	Chairman
Tan Sek Khee	Independent Director	Member	-	Chairman	-
Chen Guodong	Independent Director	-	Member	Member	-
Ma Jieyu	Independent Director	-	-	-	Member

No alternate Director was appointed to the Board in FY2022.

<u>Provision 1.5 – Board processes, including Directors' attendance at meetings</u>

During the financial year under review, the Board conducted regular and scheduled meetings. Ad-hoc meetings would be convened where circumstances required as such. The Company's Constitution allows Board meetings to be conducted by way of telephone conference or other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors' physical presence at the meeting. The Board and Board Committees may also make decisions through circular resolutions.

All Directors had accorded sufficient time and attention to the affairs of the Company. The number of Board and Board Committee meetings and general meetings, i.e. annual general meeting ("**AGM**") and extraordinary general meeting ("**EGM**"), held from 1 January 2022 to 31 December 2022, as well as the Directors' attendance at these meetings are disclosed in the following table:

	GENERAL MEETINGS						BOARD COMMITTEES' MEETINGS							
	AGM NO. OF MEETINGS		EGM NO. OF MEETINGS		BOARD NO. OF MEETINGS		AC NO. OF MEETINGS		RC NO. OF MEETINGS		NC NO. OF MEETINGS		RMC NO. OF MEETINGS	
NAME OF DIRECTORS	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Zhang Mingao	1	1	1	1	4	4			1	1				
Yang Haishan	1	1	1	1	4	4					1	1		
Wang Hongyang	1	1	1	1	4	4	4	4					2	1
Jack Chia	1	1	1	1	4	4	4	4			1	1	2	2
Tan Sek Khee	1	1	1	1	4	4	4	4	1	1				
Chen Guodong	1	1	1	0	4	4			1	1	1	1		
Ma Jieyu	1	1	1	1	4	4							2	2

CORPORATE GOVERNANCE

Provision 1.6 – Complete, adequate and timely information

Management recognises the importance of ensuring the provision of complete, adequate and timely information to the Directors prior to meetings and on an on-going basis to enable them to make informed decisions to discharge their duties and responsibilities. The Board has separate and independent access to Management and is entitled to request additional information from the Management.

In order to ensure that the Board is able to discharge its responsibilities effectively, Management provides the Directors with regular updates on the operational and financial performance of the Group, and furnishes the Directors with complete and adequate information on matters that require their consideration in a timely manner. Board and Board Committees' papers with the relevant background (such as Progress Report of the Group's projects) and financial information (with a variance analysis of the financials based on the actual versus budgeted and the financial performance by projects) are circulated to the relevant Director prior to the respective meetings every quarter, save in the case of any ad hoc or urgent meeting. Additional information, such as peer comparisons, were provided by the Group Chief Financial Officer ("**CFO**") upon the Board's request.

Provision 1.7 – Independent access to Management, Company Secretaries and professional advice

All Directors have separate and independent access to Management and the Company Secretaries. The responsibilities of the Company Secretaries include, among other things, ensuring a smooth flow of information between the Board and its Board Committees, Management and Non-Executive Directors. At least one of the Company Secretaries or their representative(s) attends all Board and Board Committees' meetings, ensuring that proper Board procedures are being followed and applicable rules and regulations are complied with. The Company Secretaries also advise the Board on all corporate governance and administrative matters, as well as facilitating orientation and assisting with professional development as required.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretaries can only be taken by the Board as a whole.

In situations where the Directors, whether individually or as a group, in the furtherance of their duties, need to seek independent professional advice, they can select external professional advisers to be engaged by the Company. The cost of such professional advice will be borne by the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Provisions 2.1 and 4.4 – Directors' independence review

An "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Provisions 2.2 and 2.3 – Composition of (i) Independent Director; and (ii) Non-Executive Directors, on the Board

Currently, the Independent Directors make up a majority of the Board which comprises seven members of whom three are Non-Executive and Non-Independent Directors (one of whom is the Chairman of the Board) and four are Independent Directors. Accordingly, there is a strong and independent element on the Board and the Company complies with provisions 2.2 and 2.3 of the Code.

To date, the Company has yet to identify a suitable candidate who possesses the appropriate expertise and experience that best suit the needs of the Company to be appointed as an Executive Director of the Company. The search for appropriate candidate(s) is still on-going.

CORPORATE GOVERNANCE

Provision 2.4 – Composition of the Board and Board Committees, and Board Diversity Policy

The Company is committed to building a diverse, inclusive and collaborative culture. It recognises that a diverse Board of an appropriate size is an important element which will better pave the way for the Company to achieve its strategic objectives for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances decision-making process through the perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

Pursuant to Provision 2.4 of the Code, the Board has adopted a Board Diversity Policy. Having regard to the guidelines in the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, take into account factors, including but not limited to gender, age, nationality, cultural background, educational background, experience, skillset, knowledge, independence and length of service. These differentiating factors will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately.

Any external search consultants, if required, engaged to assist the Board or the NC to search for candidates for appointment to the Board will be specifically directed to include diverse candidates from diverse background and female candidates. The decision on the selection of Director(s) to be appointed on the Board will ultimately be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board.

No individual or select group of individuals dominates the Board's decision-making process as a majority of the Board is made up of Independent Directors.

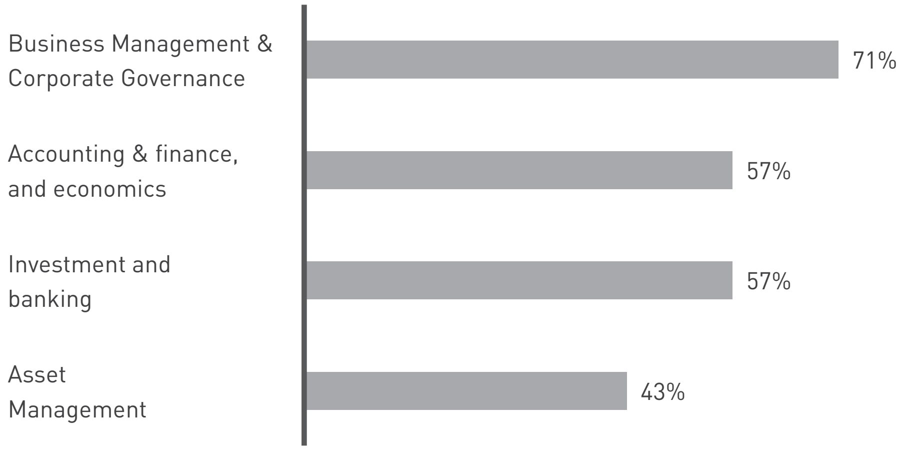
The NC and the Board review the size of the Board and the Board Committees, including the skills and core competencies of its members on an annual basis to ensure that the Board and the Board Committees are of an appropriate size, an appropriate balance and mix of skillset, knowledge, experience, expertise and gender, with a strong element of independent, which facilitates effective decision making.

Taking into account the nature and scope of the Group's operations, the Board, with the concurrence of the NC, is satisfied that the current Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed based on his or her strength, experience and stature. They are expected to bring a valuable range of experience and expertise, and contribute to the development of the Group's strategy and business performance. Together, the Board and Board Committees comprise Directors who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge to the Company. They also bring with themselves a wide range of core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the Directors' background allows for the useful exchange of ideas and views.

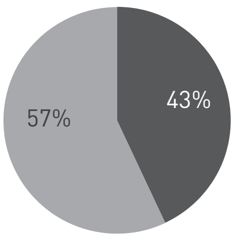
Accordingly, the combination of skills, talents and experience of the Directors are sufficiently diversed to serve the needs and plans of the Group, and to ensure the effective oversight of the Group's affairs. To ensure that the composition of the Board remains diverse, the Board aims to maintain a majority of its Board members to be made up of Independent Directors and to ensure that there is at least one female Director on the Board, at all times. Based on the current Board composition, the Company has met its independence and gender diversity targets.

CORPORATE GOVERNANCE

In evaluating the diversity of the Board, the following Board Skills Matrix and diversity criteria were noted:

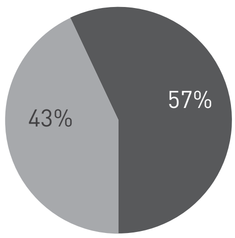


Independence



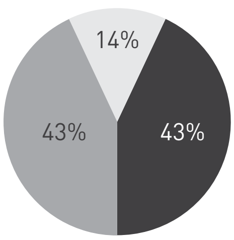
- Independent Directors (4 out of 7 Board members)
- Non-Executive and Non-Independent Directors (including Chairman) (3 out of 7 Board members)

Nationality diversity



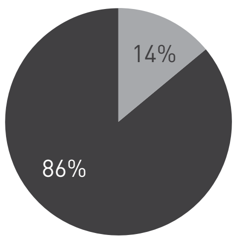
- Singapore citizen (3 out of 7 Board members)
- People's Republic of China ("**PRC**") citizen (4 out of 7 Board members)

Age diversity



- Age above 40 and below 50 (1 out of 7 Board members)
- Age above 50 and below 60 (3 out of 7 Board members)
- Age above 60 and below 70 (3 out of 7 Board members)

Gender diversity



- 1 Female Director (1 out of 7 Board members)
- 6 Male Directors (6 out of 7 Board members)

CORPORATE GOVERNANCE

The current composition of the Board reflects its commitment to the relevant diversity in gender, age, skills and knowledge.

Key information regarding the Directors is given in the "Board of Directors" section of this annual report.

The NC will review the Board Diversity Policy from time to time as appropriate, to ensure the effectiveness of this Policy. The NC will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Provision 2.5 – Role of the Non-Executive Directors and/or Independent Directors

The Non-Executive Directors of the Company (including, for avoidance of doubt, the Independent Directors) constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of the Group's business and financial performance.

All the Independent Directors, led by the Lead Independent Director, meet frequently without the presence of Management, the Executive Directors and other Non-Independent Directors to discuss matters of significance which findings are then reported by the chairman of such meetings to the Chairman of the Board accordingly.

The Non-Executive Directors and/or Independent Directors are also in frequent contact with one another outside the Board and Board Committees' meetings and without the presence of Management, and hold constant informal discussions amongst themselves. Any feedback would be provided to the Board and/or Chairman of the Board as appropriate.

PRINCIPLE 3: CHAIRMAN AND CEO

Provisions 3.1 and 3.2 – Chairman and CEO

The roles and responsibilities between the Chairman of the Board and the Group Chief Executive Officer ("**CEO**") are held by separate individuals to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual who has unfettered powers of decision-making.

The principal duties and responsibilities of Mr. Zhang Mingao, the Non-Executive and Non-Independent Chairman of the Board include:

- leading the Board to ensure its effectiveness on all aspects of its roles;
- scheduling meetings for the Board to discharge its duties, including setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- coordinating activities of the Independent Directors and Non-Executive Directors and facilitate the effective contribution of Non-Executive Directors;
- exercising control over quality, quantity and timeliness of the flow of information between Management and the Board to ensure that the Directors receive complete, adequate and timely information;
- encouraging constructive relations within the Board and between the Board and Management;

CORPORATE GOVERNANCE

- ensuring effective communication with the Shareholders; and
- assisting in ensuring the Company's compliance with corporate governance guidelines and promote high standards of corporate governance.

The Group CEO is responsible for the overall daily operations, management, sales and marketing functions of the Group.

The Group CEO's duties has been temporarily undertaken by Dr. Yang Haishan, a Non-Executive and Non-Independent Director of the Company following the cessation of the former Executive Director and Group CEO on 7 December 2020. The search for an appropriate candidate(s) for the office of the Group CEO is currently on-going.

Mr. Zhang Mingao and Dr. Yang Haishan do not have any familial relationship.

Provision 3.3 – Lead Independent Director

The Board is of the view that there are sufficient safeguards and checks in place to ensure that there is a good balance of power, accountability and capacity of the Board for independent decision-making. The Company has appointed Mr. Jack Chia as the Lead Independent Director to provide leadership in situations where the Chairman of the Board is conflicted, and especially since the Chairman of the Board is not independent. As the Lead Independent Director, he leads and co-ordinates the activities of the Non-Executive Directors of the Company and aids the Non-Executive Directors (including the Independent Directors): (i) on constructive discussion with Management; (ii) to assist Management in developing goals and objectives; and (iii) to review and monitor Management's performance.

Shareholders with concerns may contact the Lead Independent Director directly when contact through normal channels of communications with the Non-Executive and Non-Independent Chairman of the Board, the Group CEO (if applicable), the Group CFO and Management, has failed to provide a satisfactory resolution, or when such contact is inappropriate.

PRINCIPLE 4: BOARD MEMBERSHIP

As set out below, the Board has a formal and transparent process for the appointment and re-election of Directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2 – NC's duties and composition

The terms of reference of the NC provides that the NC shall comprise at least three Directors, the majority of whom including the NC Chairman, shall be Independent Directors. The Lead Independent Director, if any, should be a member of the NC. The composition of the NC is set out below:

Mr. Jack Chia (Lead Independent Director)	- NC Chairman
Mr. Chen Guodong (Independent Director)	- NC member
Dr. Yang Haishan (Non-Executive and Non-Independent Director)	- NC member

The principal duties and responsibilities of the NC include making recommendations to the Board on relevant matters relating to:

- the review of succession plans for Directors, in particular, the appointment and/or replacement of the Chairman of the Board, the CEO and key management personnel;
- developing a process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors and assessing annually the effectiveness of the Board as a whole and the contribution and performance of each individual Directors;

CORPORATE GOVERNANCE

- identifying new candidates and review all nominations for the appointment (including alternate director, if any), re-appointment or re-election of Directors;
- review of training and professional development programmes for the Board and the Directors; and
- determining annually, and as and when circumstances require, whether or not a Director is independent pursuant to the provisions of the Code, and by such amendments made thereto from time to time.

The principal activities of the NC during FY2022 are summarised below:

a. reviewed the completed evaluations of (i) AC, (ii) NC, (iii) RC, (iv) RMC and (v) Board and self-assessment of the individual Directors;

b. reviewed the size and composition of the Board and the composition of the NC;

c. reviewed and recommended the nominations of Directors for re-election at the AGM; and

d. reviewed whether Directors, with multiple board representations, has been adequately carrying out his duties as a Director of the Company.

Provision 4.3 – Process for selection and appointment of new Directors

New Directors, if any, will continue to be selected based on objective criteria set as part of the process for appointment of new Directors and the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board, and taking into consideration diversity requirements. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfilment of every requirement which the Board as a whole requires to be effective.

In its search and nomination process for new directors, the NC has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates, taking into consideration diversity requirements. Recommendations of the NC are then put to the Board for consideration. The Board will review the recommendations and approve the appointment(s) as appropriate. Any appointment(s) to Board Committees would be reviewed and approved at the same time. Such appointment(s) would be formalised by circular resolutions and the requisite announcement and notification to the relevant authorities.

Where and when required, the Company may also appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

Provision 4.3 – Process for re-election/re-appointment of Directors

In accordance with the Company's Constitution, at each AGM at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation provided that all Directors are required to retire from office at least once every three years. A new Director appointed in between AGMs shall retire from office at the close of the next AGM following his or her appointment. The retiring Directors are eligible to offer themselves for re-election.

When considering the Directors to be nominated for re-election, the NC will evaluate the performance of the Director by considering amongst other things, his or her attendance record at meetings of the Board and Board Committees, level of preparedness, intensity of participation and candour at these meetings and the quality of his or her contributions.

CORPORATE GOVERNANCE

Through the NC, the Board will endeavour to ensure that Directors appointed to the Board, whether individually or collectively, possess the experience, knowledge and expertise critical to the Group's business. It has also ensured that each Director, with his or her special contributions, brings to the Board an objective perspective to enable sound, balanced and well-considered decisions to be made. Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as Director.

Rule 210(5)(d)(iii) of the SGX-ST Listing Manual which was effective 1 January 2022 and prior to the deletion of this sub-rule with effect from 11 January 2023, provides that a director will not be independent if he has been a director for an aggregate period of more than nine years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the issuer, and associates of such directors and CEO ("**Two-Tiered Voting**"). For the purpose of the resolution referred to in (B), the directors and the CEO of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following:- (X) the retirement or resignation of the director; or (Y) the conclusion of the third annual general meeting of the issuer following the passing of the resolutions.

Mr Tan Sek Khee, who was first appointed on the Board on 29 April 2013, had served on the Board beyond nine years from the date of his first appointment. Accordingly, the shareholders had at the Company's AGM for financial year ended 31 December 2021 held on 27 April 2022 ("**FY2021 AGM**"), through a Two-Tiered Voting, approved the ordinary resolutions in relation to his re-election pursuant to Article 106 of the Company's Constitution and his continued appointment as an Independent Director, for a period ending on the earlier of (a) the retirement or resignation of Mr. Tan Sek Khee as a director; or (b) the conclusion of the third AGM of the Company following the passing of the ordinary resolutions (i.e. the conclusion of the AGM of the Company for the financial year ending 31 December 2023 ("**FY2023 AGM**")). The Board is of the opinion that it would be most effective to draw on the appropriate competencies and diversity of experience from the longer serving director.

The NC, having considered the attendance and participation of such Directors at Board and Board Committees' meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Mr Zhang Mingao, Dr Yang Haishan and Mr Jack Chia, who will be retiring at the forthcoming AGM pursuant to Article 106 of the Company's Constitution.

Mr Zhang Mingao, Dr Yang Haishan and Mr Jack Chia have consented to continue in their office as Directors and the Board had accepted the recommendation of the NC. Accordingly, the above Directors will be offering themselves for re-election and:

(i) Mr Zhang Mingao will, upon re-election as a Director, remain as a Non-Executive and Non-Independent Chairman of the Company and a member of the RC.

(ii) Dr Yang Haishan will, upon re-election as a Director, remain as a Non-Executive and Non-Independent Director of the Company and a member of the NC.

(iii) Mr Jack Chia will, upon re-election as a Director, remain as the Lead Independent Director of the Company and the Chairman of AC, NC and RMC, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The NC and the Board will also take into consideration whether a Director had previously served on the board of a company with an adverse track record or with a history of irregularities or is or was under investigation by regulators. The NC and the Board will also assess whether a Director's resignation from the board of any such company casts any doubt on the director's qualification and ability to act as a Director of the Company.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his re-election, if any, as Director.

CORPORATE GOVERNANCE

Provision 4.4 – Review of Directors' Independence

Each year, the NC reviews, determines and affirms the independence of the Company's Independent Directors, having regard the circumstances set forth in Provision 2.1 of the Code. Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm his independence based on the definition pursuant to Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual, which is deliberated upon by the NC and the Board. The NC will then review the form completed by each Independent Director to determine whether the Director is independent.

In determining the independence of each Director, the Board, taking into account the views of the NC, evaluates whether a Director is independent in character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment. All Directors are required to disclose to the Board any such relationships or appointments with the Company, its related corporations, its substantial Shareholders or its officers (if any), as and when they arise, which would affect their independence as defined in the Code and the Listing Manual.

The Board recognises the contributions of its Independent Directors who over time, have developed deep insights into the Group's businesses and operations, and who are therefore able to provide valuable contributions to the Group. The Board, with the concurrence of the NC, having considered the Confirmation of Independence forms submitted by Mr. Jack Chia, Mr. Tan Sek Khee, Mr. Chen Guodong and Mdm. Ma Jieyu, concluded that they are independent and free from any relationships outlined in the Code and the Listing Manual.

Mr. Tan Sek Khee, who was appointed on the Board on 29 April 2013, had exceeded nine years from the date of his first appointment on 29 April 2022. The NC had conducted a rigorous review of his independence and contributions to the Board to determine if he still remain independent and carry out his duties objectively, taking into account the need for progressive refreshing of the Board. The review included but was not limited to the completion of a detailed questionnaire of his independence with a mixture of close-ended and open-ended questions in respect of whether there are any conflicts of interest or relationship that is/are likely to affect his independence; whether he continues to express his views objectively and seek clarification and amplification when deemed necessary; whether he continues to debate issues objectively; whether he continues to scrutinise and challenge Management on important issues raised at meetings and whether he is able to bring judgement to bear in the discharge of his duties as a Board member and committee member. The questionnaire was completed by Mr. Tan Sek Khee.

The Board had observed the performance of Mr. Tan Sek Khee at Board and Board Committees' meetings and other occasions and has no reasons to doubt his independence in the course of discharging his duties. Hence, the Board with the concurrence of the NC, having considered the Declaration of Independence Form for FY2022 and the completed questionnaire of independence submitted by Mr. Tan Sek Khee, concluded that he is independent in character and judgement despite having been on the Board for more than 9 years since the date of his first appointment and free from any relationships outlined in the Code. The Board acknowledges his combined strength of characters, objectivity and wealth of useful and relevant experience bring himself to continue effectively as an Independent Director of the Company. The Board also acknowledges and recognises the benefits of the experience and stability brought by the long-serving Independent Director for his strength of character, objectivity and wealth of extensive business experience, and his knowledge on the Group's business which would enable him to be an effective Independent Director, notwithstanding his long tenure.

As set out in Provision 4.3 above, the Board, with the concurrence of the NC, proposed to retain Mr. Tan Sek Khee as an Independent Director of the Company until the retirement or resignation of Mr. Tan Sek Khee as a Director of the Company or the conclusion of the FY2023 AGM, whichever is earlier.

Each Independent Director had recused themselves from the NC's and Board's deliberations on their own independence.

CORPORATE GOVERNANCE

Provision 4.5 – Directors' time commitments and multiple Directorships

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as Director, taking into consideration the listed company directorships and other principal commitments of each Director.

No maximum number of listed company directorships has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations, as evident from the attendance records on page 29. Thus, in assessing each Director's ability to discharge his or her duties diligently and adequately, the Board will also consider, amongst other factors, contributions by Directors during Board and Board Committees' meetings, and their attendance at such meetings, in addition to each of their principal commitments.

Directorships or chairmanships held by the Directors in other listed companies are as follows:

NAME OF DIRECTOR	DATE OF FIRST APPOINTMENT / LAST RE-ELECTION	DIRECTORSHIPS IN OTHER LISTED COMPANIES [1]	
		CURRENT	PAST 3 YEARS
Zhang Mingao (Non-Executive and Non-Independent Chairman)	14 November 2019 / 22 May 2020	- CEL [2] - Everbright Jiabao Co., Ltd. [3]	Nil
Yang Haishan (Non-Executive and Non-Independent Director)	5 June 2020 / 29 April 2021	Nil	Nil
Wang Hongyang (Non-Executive and Non-Independent Director)	21 December 2021 / 27 April 2022	- CEL [2] - China Aircraft Leasing Group Holdings Limited [2]	Nil
Jack Chia (Lead Independent Director)	27 July 2018 / 29 April 2021	- mm2 Asia Ltd. - CDW Holding Limited - CFM Holdings Limited	- Combine Will International Holdings Limited - Debao Property Development Ltd. - China Shenshan Orchard Holdings Co. Ltd.[4]
Tan Sek Khee (Independent Director)	29 April 2013 / 27 April 2022	- ASL Marine Holdings Ltd.	Nil
Chen Guodong (Independent Director)	14 June 2019 / 27 April 2022	Nil	Nil
Ma Jieyu (Independent Director)	28 May 2021 / 27 April 2022	Nil	Nil

Notes:

(1) The principal commitment of each Director is set out in the "Board of Directors" section of this annual report.

(2) Listed on The Stock Exchange of Hong Kong Limited.

(3) Listed on the Shanghai Stock Exchange and formerly known as Shanghai Jiabao Industry and Commerce (Group) Co., Ltd.

(4) Formerly known as Dukang Distillers Holdings Limited.

As set out in the table above, Mr. Zhang Mingao, Mr. Wang Hongyang, Mr. Jack Chia and Mr. Tan Sek Khee hold concurrent directorships in other listed companies for FY2022.

Taking into account the assessment criteria set out above, the NC is satisfied that Mr. Zhang Mingao, Mr. Wang Hongyang, Mr. Jack Chia and Mr. Tan Sek Khee will be and have been able to, devote sufficient time and attention to the affairs of the Group and diligently and adequately discharge their duties.

CORPORATE GOVERNANCE

The information on each Director's academic and professional qualifications and other principal commitments is presented in the "Board of Directors" section of this annual report and their shareholdings in the Company and its related corporations, relationships (if any) is presented in the "Directors' Statement" section of this annual report.

PRINCIPLE 5: BOARD PERFORMANCE

Provisions 5.1 and 5.2 – Assessments of the Board, the Board Committees and individual Directors

The Board has implemented a process for formally assessing its effectiveness as a whole, and that of each of its Board Committees and individual Directors on an annual basis.

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations of the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman of the Board and each individual Director to the Board.

When performing the appraisal of the Board and each individual Director, the NC and the Board will also take into consideration comparisons with peers in the real estate development industry and appropriate recommendations to further enhance the effectiveness of the Board will be implemented.

For FY2022, the NC has conducted the assessments on the effectiveness of the Board as a whole and assessment of each individual Directors where each Director was required to complete his or her self-evaluation based on the (1) understanding of Company's mission, vision and values; (2) corporate governance knowledge; (3) business development efforts; (4) training attendance; (5) meeting of targets set by Board (for Executive Director only) or maintenance of independence for Independent Directors (for Independent Directors only) and/or devotion of sufficient time (for Non-Executive Directors); and (6) the following key performance criteria of the Board:

- Board composition;
- Board information;
- Board process;
- Board accountability; and
- Performance benchmark/Standards of Conduct.

The Chairman of the respective Board Committees are required to complete a questionnaire on the effectiveness of these Board Committees. The Board, with the concurrence of the NC, had also adopted a RMC questionnaire in respective of its effectiveness.

The assessments/questions were collated, and the findings analysed and discussed, with a view to implementing certain recommendations to further enhance the effectiveness of the Board and the Board Committees.

The NC was generally satisfied with the results of the evaluation for the performance of the Board and the individual Directors, and the respective Board Committees for FY2022, which indicated areas that could be improved further. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be improved further. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

To improve the Board's performance, the NC encourages all Directors to attend relevant courses, the expense of which will be borne by the Company. These include courses conducted by the SGX-ST and other relevant courses in the PRC and in Singapore. The NC is also supportive of any Directors who wish to attend any diploma or certified courses such as those held by the SID.

To-date, no external facilitator has been engaged.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provisions 6.1 and 6.2 – RC's duties and composition

The terms of reference of the RC provides that the RC shall comprise at least three Non-Executive Directors, the majority of whom including the RC Chairman, shall be Independent Directors. The composition of the RC is set out below:

Mr. Tan Sek Khee (Independent Director)	- RC Chairman
Mr. Chen Guodong (Independent Director)	- RC member
Mr. Zhang Mingao (Non-Executive and Non-Independent Chairman)	- RC member

The principal duties and responsibilities of the RC include:

- taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;

- ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;

- setting the remuneration policy for Directors (both Executive Directors and Non-Executive Directors) and key management personnel. The Board should recommend proposed Non-Executive Directors fees for Shareholders' approval;

- monitoring the level and structure of remuneration for key management personnel relative to the internal and external peers and competitors;

- ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;

- reviewing the remuneration of employees related to the Directors, CEO or substantial Shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotion for these related employees will also be subject to the review and approval of the RC;

- reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);

- obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;

- overseeing any major changes in employee benefits or remuneration structures;

- reviewing the design of all long-term and short-term incentive plans for approval by the Board and Shareholders;

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- ensuring that the contractual terms and any termination payments are fair to the individual and the Company;
- setting performance measures and determine targets for any performance-related pay schemes operated by the Company;
- working and liaising, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and
- undertaking such other functions and duties as may be required by the Board under the Code, statute or Listing Rules (where applicable).

The principal activities of the RC during FY2022 are summarised below:

a. reviewed and recommend the Group's key performance indicators and self-assessment for the financial year under review;

b. reviewed the remuneration of CEO, Executive Directors and key management personnel of the Group and those employees who are substantial Shareholders of the Company, or are immediate family members of any Director, the CEO or a substantial Shareholders of the Company (if any) for the financial year under review;

c. reviewed and recommended Directors' fees for FY2022; and

d. reviewed and renewed the Service Agreement/Contract of Executive Director(s) and/or key management personnel, which is/are due for renewal, if any.

<u>Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any</u>

The RC's recommendations were made in consultation with the Chairman of the Board and none of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him/her.

There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. In the event of a misstatement of financial results or of misconduct resulting in financial loss to the Company, the RC may, in its absolute discretion, reclaim incentive components of remuneration from the Executive Directors or key management personnel, to the extent that such incentive has not been released or disbursed. The Company should also be able to avail itself to remedies against the Executive Directors or key management personnel in the event of such breach of fiduciary duties.

For FY2022, there were no termination, retirement and post-employment benefits granted to Directors and key management personnel.

The RC, if required, will seek expert advice, both within and outside the Company on remuneration of all Directors. No remuneration consultant was engaged in FY2022.

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PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION
PRINCIPLE 8: DISCLOSURE OF REMUNERATION

Provisions 7.1 to 7.3 and provision 8.3 – Level and mix of remuneration

The level and structure of remuneration of the Board and key management personnel is designed to be appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company. The remuneration package is designed to be aligned with the long-term interest and risk policies of the Company, and is sufficiently competitive to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company.

Framework for remuneration of Executive Directors and key management personnel

The remuneration packages of the Executive Directors and other key management personnel (individuals who occupy the position of deputy general manager or its equivalent, or more senior positions) consist of the following components:

(a) Fixed and Variable Wage Components

The fixed component consists of a basic salary and annual wage supplement. To ensure that the remuneration packages of Executive Directors and key management personnel is consistent and comparable with market practice, the RC regularly compares this fixed component with those of companies in similar industries, while continuing to be mindful of the fact that there is a general correlation between increased remuneration and incentives, and improvement in performance.

The variable component comprises a variable bonus based on the Group's and individual's performance, as well as the monthly variable component of the basic salary. To link rewards to performance, the more senior the executive is within the Group, the higher the percentage of the variable component against total remuneration. A comprehensive and structured assessment of the performance of key executives is undertaken each year.

(b) Benefits

Benefits provided are consistent with market practice and include medical benefits and transport allowances. Eligibility to enjoy these benefits will depend on individual salary grade and length of service.

(c) Share Options and Performance Share

The Ying Li Employee Share Option Scheme ("**ESOS**") and Ying Li Performance Share Plan ("**PSP**") adopted at the EGM held on 28 April 2010 had expired on 28 April 2020. The Company may be adopting a new ESOS and PSP to ensure that the remuneration package remain sufficiently competitive to attract, retain and motivate the Directors and key management personnel.

In determining the remuneration packages of the Executive Directors and key management personnel, a significant and appropriate proportion of the Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, and the RC takes into consideration their performance, as well as the financial, commercial and business outlook of the Company.

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Remuneration of Non-Executive Directors

The Non-Executive Directors (including Independent Directors) receive fees which are reviewed by the RC to ensure that it is appropriate to the level of contribution, taking into account factors such as effort, responsibilities and time spent by such individuals. Such fees are paid subject to the Shareholders' approval being obtained at the Company's AGM. The Independent Directors are not over-compensated to the extent that their independence is compromised. The RC would consider, if necessary, implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of the Shareholders.

In addition to their basic fee, each Director will also receive an allowance, the sum of which is determined by his or her role in the Board and in the various Board Committees for the relevant financial year.

Mr. Zhang Mingao, Mr. Wang Hongyang and Dr Yang Haishan have voluntarily relinquished their Directors' fees with effect from 1 April 2021, 21 December 2021 and 1 January 2022 respectively.

Provision 8.1 (a) – Directors' remuneration/fees and remuneration of the Group CEO

The remuneration of the Directors for FY2022 is as follows:

	SALARY / DIRECTOR'S FEES %	BONUS %	SHARE OPTIONS %	SHARE-BASED INCENTIVES %	TOTAL %
Below $250,000					
Zhang Mingao [1]	–	–	–	–	–
Wang Hongyang[1]	–	–	–	–	–
Yang Haishan [1]	–	–	–	–	–
Jack Chia	100	–	–	–	100
Tan Sek Khee	100	–	–	–	100
Chen Guodong	100	–	–	–	100
Ma Jieyu	100	–	–	–	100

Note:

(1) As set out under "Remuneration of Non-Executive Directors" above, Mr. Zhang Mingao, Mr. Wang Hongyang and Dr Yang Haishan have voluntarily relinquished their Director's fees with effect from 1 April 2021, 21 December 2021 and 1 January 2022 respectively.

The remuneration band of the top five key management personnel (in terms of remuneration) for FY2022 is as follows:

	SALARY AND BONUS %	SHARE OPTIONS %	SHARE-BASED INCENTIVES %
Above S$250,000 but below S$500,000			
Zhang Hanqiu	100	–	–
Kooi Wei Boon	100	–	–
Qu Minli	100	–	–
Below S$250,000			
Zeng Rong	100	–	–
Yang Mei	100	–	–

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Due to the confidentiality and commercial sensitivity attached to remuneration matters, given the highly competitive environment the Group operates in, the Company does not fully disclose the remuneration of the Directors and the five key management personnel. Instead, the disclosures have been provided in applicable bands of S$250,000 as above, with a breakdown in percentage of the remuneration earned through salary and bonus, share options and share-based incentives. The aggregate remuneration paid to the top five key management personnel (who are not Directors or the Group CEO) for FY2022 is S$1,351,000.

Despite having varied from provisions 8.1(a) and (b) of the Code, the Board believes that consistent with the intent of principle 8 of the Code, sufficient information has been disclosed for the Shareholders' understanding with respect to the Group's remuneration policies, level and mix of remuneration, the criteria and procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

There were no employees who are substantial Shareholders or immediate family members of a Director, the Group CEO or a substantial Shareholder, and whose remuneration exceeds S$100,000 for FY2022.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Provision 9.1 – Maintenance of a sound risk management system and internal controls

The Board is responsible for the governance of risks and sets the tone and direction for the Group in the way risks are managed in the businesses conducted by the Group. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and ensures that Management maintains a sound risk management system and sound internal controls to safeguard the interests of the Company and the Shareholders, including the Company's assets, and will also determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Company has established a risk matrix to document risk impact, risk response and follow-up. Risk assessment and control issues are communicated to employees.

To provide better oversight of the Group's risks and assist the Board which functions as a dedicated Board risk management committee, the Board established the RMC to undertake the responsibility of the Group's risk governance. Notwithstanding that the risk governance is undertaken by the RMC, the Board acknowledges that there are certain overlapping responsibilities between the AC and the RMC in maintaining a sound risk management system and sound internal controls, including but not limited to monitoring the Group's internal audit function and Management's efforts in managing financial reporting-related risks. In view thereof, the Board concurrently delegated the responsibility of the Group's risk management systems and internal controls to the AC. Furthermore, the primary reporting line of the internal audit function shall remain with the AC in accordance with provision 10.4 of the Code, and relevant information of such internal audit function and internal audit plans/reports are promptly shared with the RMC.

In particular, the Board, with support from the AC and the RMC, is responsible to ensure that the Company puts in place adequate safeguards to address and mitigate any financial, operating and compliance risks.

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The terms of reference of the RMC provides that the RMC shall comprise at least three Directors, the majority of whom shall be Non-Executive Directors and the RMC Chairman shall be Independent Director. The composition of the RMC is set out below:

Mr. Jack Chia (Lead Independent Director)	- RMC Chairman
Mr. Wang Hongyang (Non-Executive and Non-Independent Director)	- RMC member
Mdm. Ma Jieyu (Independent Director)	- RMC member

The principal duties and responsibilities of the RMC include:

- overseeing and advising Management in the design, implementation and monitoring the internal controls, including financial, operational, compliance and information technology controls, and risk management systems ("**Internal Control and Risk Management Systems**");
- developing and guiding the Board in establishing a process to effectively identify and manage the implications of risk tolerance in internal controls and strategic transactions that is or will be undertaken by the Company;
- overseeing and advising the Board on the current risk exposures, overall risk tolerance and overall risk strategy of the Company;
- reviewing the adequacy and effectiveness of the Company's Internal Control and Risk Management Systems annually, including the overall risk assessment processes to ensure that a robust risk management system is maintained;
- reviewing the risk limits established by the Company periodically and where applicable, report on any material breach of such limits and the adequacy of proposed action(s) to be taken, and if necessary, make recommendations on further action to be taken;
- recommending to the Board the statements to be included in the Company's annual report concerning the adequacy and effectiveness of the Company's Internal Controls and Risk Management Systems;
- monitoring and ensuring the independence of the risk management function throughout the Group;
- reviewing and monitoring Management's responsiveness to its findings and proposed mitigating efforts undertaken by Management;
- reviewing all investment proposals from Management before recommending to the Board for approval;
- reporting to the Board its findings from time to time on matters arising and requiring the attention of the RMC; and
- undertaking such other functions and duties as may be required by the Board under the Code, statute or Listing Rules (where applicable).

The principal activities of the RMC during FY2022 are summarised below:

a. discussed the various risk categories relevant to the Group;

b. appointed the relevant key management personnel to be in charge of each risk category;

c. received and reviewed the internal audit plan; and

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d. received the risk management reports from the Head of Finance, Head of Legal and Head of Operations.

The Board, with the support from the AC and the RMC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's Internal Control and Risk Management Systems. The assessment for FY2022 considered issues dealt with in reports reviewed by the Board during such financial year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2022.

The AC and the RMC continuously assess these risks and formally undertake a review of such risks with Management and the internal auditors annually. The AC and the RMC use a methodology to identify, judge and assess risks similar to that used by enterprise risk management systems. Once all identified risks are classified, the internal auditor is charged with assessing the adequacy and effectiveness of such controls: (i) annually for high risk sectors or risks with significant potential negative impacts; (ii) once every two years for medium risks sectors; and (iii) once every three years for low risk sectors.

The internal auditor is required to apply and has confirmed that the standards applied meet the equivalent of the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. In addition, the AC and the RMC has put in place certain additional controls with respect to cash management and monitoring and feedback mechanisms, and the AC Chairman (who is also the RMC Chairman) meets with the audit partner of the internal auditor privately at least twice a year.

<u>Provision 9.1 – Risks relating to Sanctions Law</u>

The Board confirms that as at the date of this annual report, the Group is not at risk of becoming subject to, or violating, any sanctions-related law or regulation. The RMC, the AC and the Board will assess the need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Group and continuous monitoring the validity of the information to Shareholders and the SGX-ST, if required.

<u>Provision 9.2 – Written assurance regarding (i) financial records and financial statements; and (ii) adequacy and effectiveness of the Group's Internal Control and Risk Management Systems</u>

Mr. Hu Bing had ceased as the Group CEO with effect from 7 December 2020. During the interim period, the Group CEO's duties has been temporarily undertaken by Dr. Yang Haishan, a Non-Executive and Non-Independent Director of the Company.

In addition, the Company had received the written assurance from Ms. Peng Jianhua, the Head of Human Resource that as at 31 December 2022:-

(a) nothing has come to her attention which would render the financial statements, in particular the employee compensation, to be false or misleading in any material aspects;

(b) the payroll records of the Group have been properly maintained and the employee compensation is accurately disclosed in the financial statements; and

(c) the Group's Payroll Management System in place is adequate and effective and there are no known significant deficiencies or lapses in the Group's Payroll Management System which could adversely affect its ability to record, process, summarise or report payroll data, or any fraud that other employees of the Human Resource Department who have a significant role in the Group's Payroll Management System.

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Following the receipt of the aforesaid written assurance, the Board has received the written assurance from Dr. Yang Haishan, the Non-Executive and Non-Independent Director and Mr. Kooi Wei Boon, the Group CFO, who have the authority and responsibility for planning, directing and controlling the activities of the Group regarding the adequacy and effectiveness of the Group's Internal Control and Risk Management Systems that as at 31 December 2022:-

(a) nothing has come to their attention which would render the financial statements of the Group to be false or misleading in any material aspects;

(b) the financial records of the Group have been properly maintained and the financial statements of the Group give a true and fair view of the Group's operations and finances;

(c) the Group's Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and

(d) there are no known significant deficiencies or lapses in the Group's Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves Management or other employees who have a significant role in the Group's Internal Control and Risk Management Systems.

Rule 1207(10) of the Listing Manual

Based on the internal controls including financial, operational and compliance and information technology controls, established and maintained by the Group, work performed by the internal and external auditors, and reviews undertaken by Management, the Board is of the opinion, with the concurrence of the AC and the RMC, that the Group's internal controls addressing material financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 31 December 2022 to meet the needs of the Group, taking into account the nature and scope of its operations.

The Board notes that the Internal Controls and Risk Management Systems currently in place provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an AC which discharges its duties objectively.

Provisions 10.1 to 10.3 and 10.5 – Duties and composition of the AC

The terms of reference of the AC provides that the AC shall comprise at least three Non-Executive Directors, the majority of whom including the AC Chairman, shall be Independent Directors. The composition of the AC is set out below:

Mr. Jack Chia (Lead Independent Director)	- AC Chairman
Mr. Tan Sek Khee (Independent Director)	- AC member
Mr. Wang Hongyang (Non-Executive and Non-Independent Director)	- AC member

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Mr. Jack Chia is a professional Director, specialising in corporate governance and has about 20 years of related financial management experience in both the private and public sectors. Mr. Tan Sek Khee has extensive experience in general corporate management, business development, marketing, procurement and logistics. Mr. Wang Hongyang has over 20 years of experience in audit, investment, accounting and finance. The members of the AC, collectively, have recent and relevant expertise or experience in accounting or related financial management and are qualified to discharge the AC's responsibilities. None of the members of the AC nor the AC Chairman is a former partner or director of the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation, and in any case, for as long as they have any financial interest in the Company's existing auditing firm or auditing corporation.

The principal duties and responsibilities of the AC include:

- reviewing at least annually the audit plans and the scope of audit examination to be conducted by the internal auditors and external auditors for the purpose of evaluating the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

- reviewing the internal auditors' evaluation of internal accounting controls system and appraising changes or new internal controls implemented by the Company;

- appraising and reporting to the Board on the audit works undertaken by the internal auditors and external auditors, and reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

- reviewing the assistance given by Management to the internal auditors and the external auditors to ensure that there is no restriction hindering the work of the internal auditors and the external auditors;

- reviewing the cost effectiveness of the audit, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;

- making recommendations to the Board on (i) the proposals to the Shareholders on the appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

- reviewing with the Board, Management and the auditors the possible risks or exposures that may exist and discussing the necessary steps to take in order to minimise such risk to the Company;

- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company, and of announcements relating to the Company's financial performance and recommending changes, if any, to the Board;

- reviewing the assurance from the Group CEO and the Group CFO on the financial records and financial statements;

- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

- overseeing the establishment and operation of the whistle blowing process in the Company;

- reviewing IPTs (if any) falling within the scope of Chapter 9 of the Listing Manual to evaluate whether these transactions are entered into on an arm's length basis and are not prejudicial to the interests of the Company and its minority Shareholders; and

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- undertaking such other functions and duties as may be required by the Board under the Code, statute or Listing Rules (where applicable).

Besides assisting the Board in discharging its responsibilities in safeguarding the Shareholders' investment and the Company's assets, the AC together with the RMC have been constantly reviewing the development and maintenance of an adequate and effective system of internal controls, with an overall objective of ensuring that Management creates and maintains an effective control environment in the Company.

The external auditors and/or the Group CFO will update the AC on the changes to accounting standards and issues which have a direct impact on the financial statements of the Company and/or the Group from time to time. In addition, the AC is entitled to seek clarification from Management, the external auditors and/or the internal auditors or independent professional advice, or attend relevant seminars, informative talks at the Company's expense from time to time to apprise themselves of accounting standards/financial updates.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any Executive Director or officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

During FY2022, the AC has met at least once with the internal auditors and CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) ("**CLA**" or "**External Auditors**") separately, without the presence of Management to review any matter that might be raised.

The aggregate amount of fees paid to the External Auditors for FY2022 is S$298,000 and there were no fees paid for non-audit services. Pursuant to their annual review of the independence of CLA, the AC is also satisfied with their independence for FY2022.

The AC has recommended to the Board the re-appointment of CLA as the Company's External Auditors for the ensuing year at the forthcoming AGM.

The Board and the AC, having reviewed the adequacy of the resources and experience of CLA, the audit engagement director assigned to the audit, CLA's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712, 715 and 716 of the Listing Manual. Pursuant to Rule 716 of the Listing Manual, the AC and Board confirmed that they are satisfied that the appointment of different auditors for certain of its subsidiaries as disclosed under Note 18 of the notes to financial statements would not compromise the standard and effectiveness of the audit of the Group.

The principal activities of the AC during FY2022 are summarised below:

a. reviewed the quarterly unaudited financial results highlights and all its announcements relating to the Group's financial performance; and recommended to the Board for approval of these announcements;

b. reviewed the Company's sustainability report for the financial period under review;

c. reviewed the audit plan and audit report of the internal auditors and External Auditors and assessed the adequacy of the Internal Control and Risk Management Systems as well as the level of the co-operation given by Management to the internal auditors and External Auditors;

d. reviewed the breakdown of audit and non-audit services provided by the Auditors for the financial period under review to determine if the provision of such non-audit services would affect the independence of the External Auditors and to obtain confirmation of independence from the External Auditors;

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e. recommended to the Board for re-appointment of CLA as the External Auditors for the ensuing year;

f. reviewed whether the internal audit function is independent, effective and adequately resourced;

g. considered the adequacy and effectiveness of the Group's Internal Control and Risk Management Systems for the financial period under review. Where any material weaknesses are identified, reviewed the steps taken to address them;

h. reviewed whistle blowing reports, if any;

i. reviewed the Group's IPTs to ensure that the transactions were carried out on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;

j. reviewed the Group's updated IPTs policy and whistle blowing policy and recommended the same to the Board for approval;

k. reviewed the Group's budget for FY2022 and recommended the same to the Board for approval; and

i. reviewed and adopted the updated Terms of Reference of AC.

<u>Whistle blowing (Rule 1207(18A) and (18B) of the Listing Manual)</u>

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Board, with the concurrence of the AC, has adopted a new whistle blowing policy and procedures which sets out the procedures for a whistle blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers.

To ensure that the identity of any whistle blower is kept confidential, the Group will treat all information received with utmost confidentiality. Anonymous disclosures will be accepted and anonymity honoured. The Group is committed to ensure protection of the whistle blower against detrimental or unfair treatment. A key aim of the Company's whistle blowing policy as stated therein is to reassure employees that if they raise any concerns in good faith, they will be protected from possible retaliation.

Employees of the Group and any other persons may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc to the AC. All reports, including anonymous reports, reports that are lacking in detail and verbal reports, will be thoroughly investigated by the Group CEO (which is temporarily undertaken by Dr. Yang Haishan, a Non-Executive and Non-Independent Director of the Company) as authorised by the AC in accordance with whistle blowing policy. The Group CEO will decide whether there is a prima facie to answer. If there is prima facie evidence, the matter will be brought to the attention of the AC Chairman. The AC may also delegate the responsibility of the day-to-day whistle blowing matters in the PRC to the relevant personnel of the Group.

Depending on the nature of the matter raised and to ensure independence in the investigation of whistle blowing reports, assessment, investigation and evaluation of complaints are conducted internally by or, at the direction of the AC if it deems appropriate, investigation may also be referred to the External Auditors or subject of independent enquiry at the Group's expense. Following the investigation and evaluation of a complaint, the AC will then decide on recommended disciplinary or remedial actions, if any. Appropriate actions that are determined by the AC shall then be brought to the Board or to the appropriate senior management of the Group for authorisation or implementation respectively. For instance, an independent function, such as the internal auditors and/or External Auditors may conduct the investigation in case of a financial irregularity. In addition, when decided if there is a case to answer and what procedures to follow, the reporting committee may set up a special internal independent investigation or refer the matter to an external authority such as the police, for further investigation. The decision may be that civil and/or criminal proceedings be taken, in addition to appropriate disciplinary actions.

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The AC is responsible for the oversight and monitoring of whistle blowing. All whistle blowing matters, if any, are reviewed quarterly by the AC. Matters requiring immediate or urgent attention are reported immediately to the AC Chairman.

In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistle blowing policy, including the existence of the whistle blowing policy and procedures for raising such concerns, have been made available to all employees.

Provision 10.4 – Internal Audit (Rule 1207(10C) of the Listing Manual)

The Company recognises the importance of establishing an internal audit function that is independent of the activities it audits. The Group has in place an internal audit function outsourced to WUYIGE Certified Public Accountants LLP ("**Daxin**"), which reports directly to the AC.

Daxin is guided by the standards set by nationally or internationally recognised professional bodies including The Institute of Internal Auditors ("**IIA**") and the key member of the internal audit team is Certified Internal Auditor with the IIA.

Daxin's headquarter located in Beijing, and has eight regional business headquarters in Wuhan, Shandong, Shanghai, Shenzhen, Jilin, Jiangxi and Chongqing and 21 branches in Hong Kong, Liaoning, Sichuan, Guangzhou, Jiangsu, Henan, Guangxi, Yunnan and other provinces in the PRC. Taking into account the nature, size and jurisdiction of the Group's business operations, Daxin is adequately resourced to perform the internal audit function effectively and objectively to the Group.

To improve the effectiveness of the Group's internal audit function and ensure its internal audit function is adequately resourced and staffed with person(s) with relevant qualification and experience, the Company has also employed an internal audit staff who is a Certified Internal Auditor with the IIA and has at least 15 years of experience in internal audit to oversee the Group's internal audit function, including coordinating with Daxin on the internal audit requirements of the Group. Such full-time employee reports directly to the Group CEO.

In consideration of the foregoing, the AC is of the view that the internal audit function is independent, effective and adequately resourced.

The hiring, removal, evaluation and compensation of the internal auditors or corporation to which internal audit function is outsourced was approved by the AC. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The role of the internal auditors is to support the AC in ensuring that the Group maintains a sound risk management system and sound internal controls by monitoring and assessing the adequacy and effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC.

The AC will review the findings of the internal auditors and will ensure that the Group follows up on the internal auditors' recommendations. The AC will review the adequacy of the internal audit function annually to ensure that the internal audit function is adequately resourced and able to perform its function effectively and objectively.

For FY2022, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company ensures that all Shareholders are treated fairly and equitably in order to enable them to exercise their Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives the Shareholders a balanced and understandable assessment of its performance position and prospects.

Provisions 11.1 to 11.5 – Participation and voting at general meetings of the Shareholders

The Group believes in encouraging Shareholder participation at general meetings. All registered Shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy forms will be sent with the notice of general meeting to all Shareholders. If any Shareholder is unable to attend the general meeting in person, he/she/it is allowed to appoint up to two proxies to vote on his/her/its behalf. The Company also allows CPF investors to attend general meetings as observers. All Shareholders may access the annual report of the Company and notice of AGM on the Company's corporate website or SGXNET within the mandatory period and will be informed of the rules, including voting procedures, which govern general meetings of the Shareholders.

Every matter requiring the Shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. The Company tables separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications.

All resolutions are usually put to vote by electronic poll at the Company's general meetings and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be made available through SGXNET. The Company has employed electronic polling at its general meetings since September 2014.

The Company's Constitution does not permit voting in absentia by mail, facsimile or e-mail as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the Shareholder's identity is not compromised.

The Chairman of the Board and the respective Chairman of the AC, the NC, the RC and the RMC are required to be present and available at the AGM to address the Shareholders' queries. Appropriate senior management personnel are also present at the meeting to address operational questions from the Shareholders. The External Auditors are also present to address the Shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

Alternative arrangements for the conduct of general meetings and General meetings by electronic means

In 2020, due to the COVID-19 pandemic, Singapore entered into a circuit breaker period during which physical meetings were not allowed to be held. Hence, the AGMs for the financial years ended 31 December 2019, 2020, 2021 and the EGM held on 29 December 2022 pertaining to the (i) proposed amendments and waivers in relation to the perpetual subordinated convertible callable securities ("**PCS**") issued in 2014 and (ii) proposed issuance of additional conversion shares ("**EGM 2022**") were held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Alternative Arrangements Order**") (as amended from time to time) and the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period and checklist jointly issued by the ACRA, the Monetary Authority of Singapore and Singapore Exchange Regulation ("**SGX RegCo**") on 13 April 2020 ("**Joint Checklist**"), and accordingly, the Shareholders were not allowed to attend the AGMs and the EGM 2022 in person.

CORPORATE GOVERNANCE

The Alternative Arrangements Order allowed entities to hold general meetings via electronic means up to 30 June 2023, even where entities are permitted under safe distancing regulations to hold physical meetings. Compliance with the Alternative Arrangements Order will be deemed to be compliant with the relevant provisions of written law or legal instrument in respect of which the alternative arrangements are made. The Alternative Arrangements Order is permissive, not mandatory. General meetings can still be held in accordance with existing law or legal instrument, if doing so would not breach prevailing safe management measures contained in the Act and the Regulations (and any subsequent advisories or regulations as may be issued).

Notwithstanding that Shareholders were not allowed to attend the FY2021 AGM, the EGM 2022 and the forthcoming AGM for FY2022 to be held on 27 April 2023 in person, the Company had put in place arrangements for Shareholders to participate in the meeting by submitting questions ahead of the meeting, voting by proxy and/or observing and/or listening to the proceedings via a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**").

The submission of questions and proxy forms was done electronically via a website set up for the purposes of the meeting, to an electronic mail address, or by depositing the same in physical copy at the registered office of the Company's share registrar. The Company had informed the shareholders of such alternative arrangements and the details relating thereto ahead of the meeting in an announcement released by the Company on SGXNET and its corporate website.

The Company has taken steps to ensure that the requirements in the Alternative Arrangements Order, the requirements issued by the SGX-ST in its regulator's column of 16 December 2021 and its joint statement of 4 February 2022 are complied with. In particular, shareholders will have at least 7 calendar days to submit their questions to the Company and the Company will respond to substantial and relevant questions at least 48 hours prior to the deadline for shareholders to submit their proxy forms. This is to ensure that shareholders will have the benefit of the Company's responses to their substantial and relevant questions before they cast their votes through the lodgement of proxy forms.

Subsequent to the FY2021 AGM held on 27 April 2022, pursuant to the SGX Regulator's Column dated 23 May 2022, all AGMs held for financial years ending 30 June 2022 or after and any other general meeting held on or after 1 October 2022 must take into account the expectations set out in the Regulator's Column, in particular, issuers must utilise both (i) real-time remote electronic voting; and (ii) real-time electronic communication if it holds fully virtual general meetings. As such, the EGM 2022 and the forthcoming FY2022 AGM to be held on 27 April 2023 had/would utilise both (i) real-time remote electronic voting; and (ii) real-time electronic communication.

All the Directors attended the FY2021 AGM, together with the External Auditors and key management personnel via the Live Webcast. Save for Mr Chen Guodong, an Independent Director, all the Directors attended the EGM 2022, together with the key management personnel via the Live Webcast. The Directors' attendance at the general meetings of the Company held in 2022 is disclosed under provision 1.5 above.

As required under the Alternative Arrangements Order and the Joint Checklist, the Company had published its minutes of FY2021 AGM and EGM 2022, which recorded substantial and relevant comments and queries from the Shareholders relating to the agenda of such meeting (if any), within one month after the general meeting on SGXNET and its corporate website. The Company did not receive any questions from Shareholders prior to 9.30 a.m. on 27 April 2022 and 29 December 2022 during the FY2021 AGM and the EGM 2022 respectively. Independent scrutineers have also checked the validity of the proxy forms received and prepared a report on the poll results.

Provision 11.6 – Dividend Policy

The Group does not have a fixed dividend policy at present. The Board has via the Company's full-year results announcement released on 28 February 2023 informed that it has not recommended any dividend. No dividend was declared for FY2022 as the Group is loss making and needs to preserve funds for operating expenses for next financial year. The Group will continue to monitor its cash flow situation and will consider rewarding the Shareholders when the conditions are met.

CORPORATE GOVERNANCE

PRINCIPLE 12: ENGAGEMENT WITH THE SHAREHOLDERS

The Company is mindful of its obligations to provide material information in a fair and organised manner and on a timely basis to the Shareholders. The Company strives to ensure regular, effective and fair communication with the Shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform the Shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company's shares.

The Company does not practise selective disclosure of material information. Press releases in relation to material developments, half-yearly and full year results announcements and presentation slides are always released through the SGXNET on a timely basis for dissemination to the Shareholders and the public in accordance with the requirements of the SGX-ST. All materials on the half-yearly and full year financial results, as well as the latest annual report of the Company, are available on the Company's website at http://www.yingligj.com/. The website also contains various other investor-related information about the Company which serves as an important resource for investors and the Shareholders.

The Company values dialogue sessions with the Shareholders. During general meetings of the Company, the Board devotes time and attention to address questions from and concerns raised by the Shareholders and the Directors are generally present for the entire duration of the meetings. The Company and/or the Chairman of the general meetings will also endeavour to facilitate the participation of the Shareholders during the general meetings and other dialogues to allow the Shareholders to communicate their views on various matters affecting the Company. In addition, members of the Board and key management personnel make themselves available to interact with the Shareholders both before and after general meetings. The Group believes in regular, effective and fair communication with the Shareholders and is committed to hearing the Shareholders' views and addressing their concerns.

The Company has engaged the services of an external investor relations firm. Other than communicating with members of the Board and key management personnel at general meetings, the Shareholders may contact the Company's CFO through ir@yingligj.com on any investor relations matters. The Company strives to respond within two to three working days upon receipt of these emails.

MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1 and 13.2 – Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Group believes that forging good relationships with its stakeholders is crucial for the sustainable growth of its business and identified its key stakeholders which include builders and suppliers, customers, employees, regulatory authorities (Governments, SGX-ST, Ministry of Manpower, Inland Revenue Authority of Singapore), the Shareholders and investors.

The Company recognises the need to continuously develop its responsible business approach in order to address growing stakeholder expectations around its impact on the economy, environment and society. As such, the Company engages both internal and external stakeholders on a regular basis with the goal of strengthening its sustainability approach and performance.

CORPORATE GOVERNANCE

Provision 13.3 – Corporate website

The Company maintains a current corporate website to communicate and engage with stakeholders.

All materials on the Company's financial results, as well as the latest annual report of the Company, are available on the Company's website at http://www.yingligj.com/. The website also contains various other investor-related information about the Company which serves as an important resource for the Shareholders and all other stakeholders.

DEALINGS IN SECURITIES

In line with Rule 1207(19) of the Listing Manual, the Company has adopted a compliance code to issue a notification to all Directors, key executives of the Group and their officers that they and the Company are not allowed to deal in the Company's securities during the "black-out" period, being one month before the announcement of the Company's half-year and full-year financial statements, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key executives and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

The Board confirms that for FY2022, the Company has complied with Rule 1207(19) of the Listing Manual.

INTERESTED PERSON TRANSACTIONS

All IPTs to be entered into by the Company will be reviewed by the AC to ensure that the terms are fair and reasonable prior to recommending them to the Board for approval.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the Listing Manual on IPTs. To ensure compliance with Chapter 9 of the Listing Manual, the following practices have been implemented:

- The AC meets once every quarter to review if the Company will be entering into any IPTs. If the Company intends to do so, the AC will ensure that the Company complies with the requisite rules under Chapter 9 of the Listing Manual; and

- The AC will then recommend the approval of the IPTs, if any, to the Board for review and approval. The Board will review and ensure that the Company complies with the requisite rules under Chapter 9 of the Listing Manual before such approval.

The Board, with the concurrence of the AC, has adopted an interested person transaction policy on 26 February 2021, with the intention to regulate its IPTs and mitigate control related risk to protect the overall interests of the Group and the Shareholders and prevent the Directors, Management and Controlling Shareholders from violating the relevant laws, rules and regulations relating to IPTs in Singapore.

CORPORATE GOVERNANCE

Based on Rule 907 of the Listing Manual, the IPTs for FY2022 were as follows:

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN $100,000 AND TRANSACTIONS CONDUCTED UNDER A SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 OF THE LISTING MANUAL) RMB'000	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER A SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 OF THE LISTING MANUAL (EXCLUDING TRANSACTIONS LESS THAN S$100,000) RMB'000
EBA (Shanghai) Commercial Management Co., Ltd. Management and consultancy fees charged by an associate of controlling shareholder	Controlling shareholder	5,868	–
China Everbright Finance Limited [(1)] Loan interest charged by a subsidiary of controlling shareholder	Controlling shareholder	8,177	–
Sub-total		14,045	–
Everbright Hero Holdings Limited [(1)] Distribution on perpetual convertible securities payable to controlling shareholder, net of reversal	Controlling shareholder	(417,507)	–
Total		**(403,462)**	–

Note:

(1) A 100% indirectly owned subsidiary of CEL.

Based on the IPTs made known to the Company, the total value of the transactions entered into with the interested persons of the Company for FY2022 was RMB14.05 million, which represents 0.67% of the Group's latest audited net tangible assets for FY2021, excluding the distribution on PCS entered into with CEL which was approved by the Shareholders at the EGM held on 2 September 2014. The distribution rate amendment and waivers were approved by shareholders at EGM 2022.

The Group has not obtained a general mandate from the Shareholders for IPTs.

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the Listing Manual, save as disclosed above, the Company confirms that there were no material contracts entered into between the Company and its subsidiaries involving the Group CEO, any of the Directors or controlling Shareholders, either still subsisting at the end of FY2022, or was entered into since the end of the previous financial year.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Board Statement

The Board of Directors ("**Board**") recognises and values the importance of the sustainable performance of Ying Li International Real Estate Limited ("**Ying Li**" or the "**Company**" and together with its subsidiaries, the "**Group**") and oversight of all environmental, social and governance ("**ESG**") matters, including without limitation to this Ying Li Sustainability Report 2022 ("**SR**" or the "**Report**"), various policies against ESG, stakeholder engagement and climate change. In order to ensure the material impacts of Ying Li are covered, the Board has the responsibility to regularly review, monitor and evaluate material ESG issues.

Reporting Scope

Ying Li publishes sustainability reports on an annual basis and they are included in Ying Li's Annual Reports ("**AR**").

The scope of this Report is to summarise Ying Li's sustainability performance between 1 January 2022 and 31 December 2022 (the "**Reporting Period**") unless otherwise indicated. It includes the operations and activities in Singapore headquarters and Chongqing offices, as well as investment properties and sales properties[1] that are under the Group's direct operational control.

Reporting Standards and Principles

This Report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards, the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide), and Rule 13.91 and Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**SEHK**")[2].

GRI is widely accepted as a global standard for sustainability reporting. During the preparation for this SR, we applied GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.

The seven principles listed below have been observed in this Report:

Stakeholder Inclusiveness	We consider the interests of a wide range of stakeholders, mainly shareholders, investors, employees, customers, builders and suppliers, and regulatory authorities.
Materiality	We identify the environmental, social, and governance-related topics that are most material to us and our stakeholders, through a materiality assessment and is reliably reflected in this SR.
Sustainability Context	Apart from material environmental, social, and governance-related factors, we also consider potential contribution to fight climate change.
Completeness	We incorporated material topics, topic boundaries, significant impacts and stakeholder feedbacks into this SR while adhering to the six other reporting principles to enhance its completeness.
Quantitative	We commit to quantifying the data accurately with clarification as far as practicable.
Balance	We present the positive and negative aspects of our business in a transparent manner.
Consistency	We adhere to the same reporting approach as the previous year to ensure clarity and comparability for our readers.

Restatement

Water consumption intensity was re-stated due to the alignment of reporting boundary to exclude activities of tenants and sold properties' occupants in the Report.

1 Including portions of Ying Li International Financial Centre (IFC)/Ying Li IMIX Park Jiefangbei (IMIX Park JFB), Ying Li International Plaza/Ying Li IMIX Park Daping (IMIX Park Daping), Ying Li International Hardware and Electrical Centre (IEC), San Ya Wan Phase 2 (Lion City Garden). For the avoidance of doubt, all ESG data related to the activities of tenants and sold properties' occupants are not included in the Report.

2 As Ying Li is a subsidiary company of China Everbright Limited (CEL, 0165.HK), this Report also follows SEHK's rules in providing supplementary ESG information to help fulfil CEL's ESG disclosure obligations.

SUSTAINABILITY REPORT

Accessibility and Feedback

We warmly welcome your feedback on the Report and our sustainability-related approaches. Please share them with us through email to ir@yingligj.com.

Our AR and SR are accessible through our corporate website: https://www.yingligj.com/ar.

OUR APPROACH TO SUSTAINABILITY

Stakeholder Engagement

Ying Li truly understands that feedback from stakeholder is very valuable to its business development as well as sustainability performance. Therefore, we have set up numerous engagement channels to allow regular communication with stakeholders to have a better understanding of their expectations regarding the impacts on the economy, environment and society, as well as to evaluate the efficacy of our sustainability priorities and measures.

The table below shows how our approach and rationale is set out against different stakeholders and the feedbacks we have received from them.

STAKEHOLDERS	HOW WE LISTEN	WHY WE DO IT	WHAT YOU'VE TOLD US
Builders and suppliers	• Daily project meetings • Periodic evaluations on supplier performance	• Ensure construction/maintenance/renovation projects are completed on time, with quality, and at a reasonable cost	• Ability to meet the Group's quality standards • Ability to meet the Group's delivery timelines
Customers	• Road shows • Feedbacks • Company website	• Safeguard investment value of customers • Ensure customer satisfaction is upheld • Ensure service standards	• Optimising customer service • Increase in investment value of properties • Emergency preparedness
Employees	• Internal updates and communication • Events and functions	• Improve employee capabilities through internal and external trainings • Improve employee well-being through managing health and safety	• Health and safety • Career progression • Benefits and rewards • External and internal courses
Regulatory authorities (Governments, SGX, MOM, IRAS)	• Regular updates and communication • Reports and compliance • Periodical meetings with government bodies	• Adhere to environmental regulations for building construction • Good relationship between continuous sponsors and the Group • Dialogue with SGX • Active participation in SGX events to increase visibility and transparency	• Compliance with relevant laws and regulations
Shareholders and investors	• SGX announcements • Shareholder meetings • Annual reports • Company's website • Regular updates and communication	• Committed to delivering economic value to our capital providers through a strong financial performance and our diverse methods of engagement	• Long-term profitability • Sustainability matters • Group performance against targets • Compliance with all relevant requirements

SUSTAINABILITY REPORT

Materiality and Targets

According to our annual review and current stakeholder engagement, our principal business and operational risks did not encounter significant changes during the Reporting Period. As a result, our materiality aspects have remained the same as previous years and we have continued to direct our sustainability strategy as shown in the matrix below.

The aspect boundaries "within" the organisation are limited to Ying Li and its subsidiaries, whereas the aspect boundaries "outside" the organisation include builders and suppliers, customers, regulatory authorities, shareholders and investors.

SUSTAINABILITY REPORT

We have set up long-term goals for Ying Li below, according to the thirteen material aspects listed in the matrix above. Relevant ESG performance data are available in Appendix A: Sustainability Scorecard.

ESG FACTORS	MATERIAL TOPIC	RELEVANT GRI MATERIAL TOPIC	TARGET	VALUE CREATED
Sustainable growth	Yes	GRI 302: Energy 2016 GRI 303: Water and Effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020	To create long-term sustainable growth in economic, environmental and social aspects.	Clear governance structure is set out to incorporate ESG considerations into the formulation and implementation of our business strategies.
Green construction	Yes	GRI 302: Energy 2016	To enforce green construction materials, installations and practices in our projects.	Minimised environmental implications by seeking Leadership in Energy and Environmental Design ("LEED") certification for our portfolio as far as practicable.
Energy saving design	Yes	GRI 302: Energy 2016	To prioritise energy saving designs in our projects.	Maximised energy saving as early since the design stage by seeking LEED certification for our portfolio as far as practicable.
Emergency preparedness	No	/	To conduct more employee trainings to enhance their preparedness and response in case of various emergencies.	With the emergency response procedures set out as part of our safety management, we will consider providing emergency preparedness-specific trainings.
Managing building contractors	No	/	To ensure environmentally and socially responsible actions are taken by building contractors.	Established strict guidelines as part of our subcontractor management to ensure the quality of their products and services.
Responsible supply chain	No	/	To prioritise environmentally and socially responsible suppliers.	Established strict guidelines as part of our subcontractor management to ensure the quality of their products and services.
Managing our carbon footprint	Yes	GRI 305: Emissions 2016	To provide the tools to better monitor and evaluate our carbon footprint in order to minimise our carbon emissions.	Keeping account of our Scope 1 to 3 emissions to better monitor our impacts on the environment and society.
Energy efficiency	Yes	GRI 302: Energy 2016	To adopt energy saving installations and enforce energy saving policies within the offices, malls and development projects.	Installed energy efficient lighting installations to reduce energy consumption.
Water conservation	Yes	GRI 303: Water and effluents 2018	To adopt water saving installations and enforce water saving policies within the offices, malls and development projects.	Installed water efficient fittings and water meters, and raised awareness among stakeholders to conserve water.
Skills competency and employee training	Yes	GRI 404: Training and Education 2016	To provide a wider range of training types to enhance employee competency.	Procedures in place for setting up internal trainings, subsidies available for external trainings.
Performance appraisal	Yes	GRI 404: Training and Education 2016	To ensure that employees' performance is monitored, reviewed and evaluated without prejudice or discrimination.	Appraisals are conducted annually for each employee.
Employee diversity and inclusion	Yes	GRI 405: Diversity and Equal Opportunity 2016	To build a diverse and inclusive office environment for our employees.	As stipulated in the Staff Handbook, recruitment, remuneration, promotion, and benefits are not discriminated in any way.
Encouraging work-life balance	Yes	GRI 401: Employment 2016	To optimise schedules to prevent overtime work and introduce physical activities to promote well-being.	Periodic gatherings, competitions or activities are organised to advocate physical and mental well-being.

SUSTAINABILITY REPORT

Supply Chain Management

Procurement and supply chain management are an integral part of Ying Li's business operations. We strive to incorporate our sustainable practices into our supply chain in an effort to build and maintain a sustainable connection with our stakeholders. Our requirements and expectations of our suppliers are laid forth in our Supplier Management Policy (供方管理制度) and the Bidding and Procurement Management Policy (公司招标采购管理制度). The products and services provided by our suppliers are mainly related to office supplies, property maintenance and retrofitting projects.

We have maintained good relationships with our suppliers and subcontractors, continuously improved the bidding and procurement management system with environment and social considerations, and further strengthened strategic cooperation with outstanding partners for the sake of shared development under a strict supplier evaluation system, increasing the overall capacity of the supply chain.

<u>Number of Suppliers by Geographical Region</u>

China:	161
Singapore:	24

Ying Li selects suppliers who will best meet its requirements and deliver value at an acceptable level of risk. We consider our suppliers as valued business partners and have built a variety of efficient communication channels with them in order to achieve shared goals for long-term sustainable development. We collaborate extensively with our suppliers to understand their sustainability policies, initiatives and monitoring systems, whist assisting them in complying to our standards. This collaboration can increase Ying Li's ability to negotiate and manage risk and supplier relationships, which can result in tangible commercial benefits for each business. Through year-round operational, business and executive reviews, Ying Li regularly enhances its Supplier Management Policy and the Bidding and Procurement Management Policy for strategic suppliers to consistently measures supplier's performance and drive improvements and alignments. At the same time, suppliers' feedback will also be taken into consideration as this provides a candid two-way communication and continuous improvements to Ying Li in the long-run. We believe that a reliable supply chain that meets our sustainability requirements would undoubtedly contribute to the seamless running of our business.

The intellectual property rights ("**IPR**") of Ying Li is fundamental to our business. We pledge to protect our IPR including trademarks, copyrights, designs and patents by proper registration, as well as to ensure our suppliers will recognise and respect the Group's IPR. Similarly, we have confidential measures in place to safeguard customer's data and privacy.

OUR GOVERNANCE

An effective and robust corporate governance structure is crucial to our business success. It promotes and safeguards the interests of shareholders and attract other new stakeholders. Ying Li is committed to sustain a rigorous framework of corporate governance that can uphold the Group's credibility and reputation.

Our commitment to sustainability begins at the top. Based on our Organisation Structure and Employee Responsibilities Policy (组织架构及岗位职责汇编), the Board actively promotes the success of the Group by directing and overseeing the Group's sustainability strategies to ensure they act in the best interests of the Company and its stakeholders. Besides, the Board is also responsible for reviewing and monitoring corporate policies and strategies.

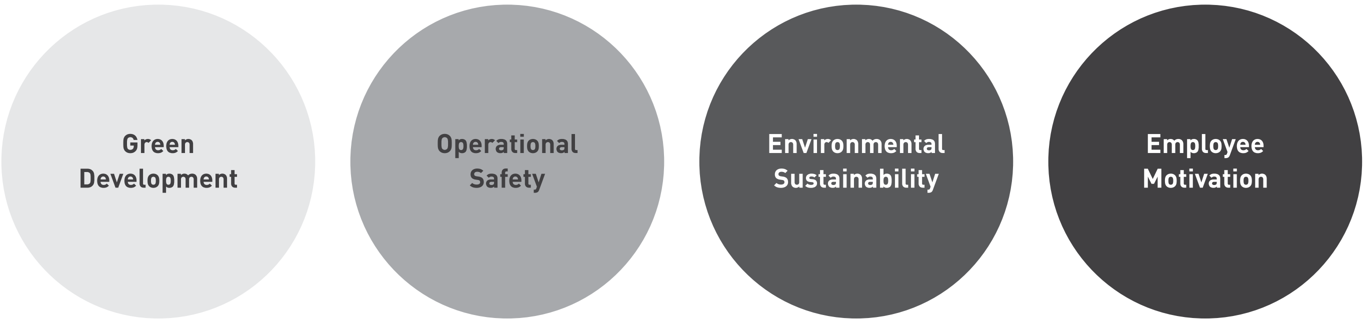
LEADERSHIP	ORGANISERS	EXECUTIVES
The Board and CEO formulate related strategies and guidelines.	Corporate Social Responsibility ("**CSR**") Coordinator helps organise and coordinate the CSR efforts of all departments and subsidiaries.	Assigned staff at the subsidiaries are responsible for the organisation and implementation of CSR initiatives.

SUSTAINABILITY REPORT

Sustainability Strategy

Sustainability has been the core of Ying Li's business and will continue to be integrated into the Group's decision making. Our sustainability strategy aims to manage our business in an ethically, socially and environmentally responsible manner, while creating shared value for our stakeholders. The Board conducts regular board meetings to review and enhance the alignment of our ESG matters with market trends, international standards and relevant laws and regulations.

We have committed to the following focused areas to fulfil our sustainability vison and improve our sustainable performance for the future.



The sustainability strategy is underpinned by our comprehensive internal policies on the following:

- Safety Management Policy (安全技术管理政策), which covers aspects on safety culture, safety training and development, rewards and penalties, safety inspections, incidence reporting, and emergency response procedures in the event of safety incidents.

- Subcontractor Management Policy (分包单位管理政策), which covers aspects on subcontractor listing, subcontractor jobs and responsibilities, quality of goods and services delivered, and subcontractor evaluations.

- Human Resources Management Policy (人事管理政策), which covers aspects on Staff Handbook, department-specific performance evaluations, rewards and penalties.

SUSTAINABILITY REPORT

ENVIRONMENTAL PROTECTION

Overview

Ying Li has a strong reputation for innovative design with green and eco-friendly development. We strive to embed green practices into our property development using our integrated business model and operations, from design and construction to operation and management. According to our Design Management System (设计管理制度), Construction Application Management System (开发报建管理制度) and Engineering Management System (工程管理制度), these show our commitment to ensure our developments and properties are aligned or possibly exceed the regulatory requirements and minimise the impacts on the environment and natural resources as well as being one of the industry good practices on climate change mitigation, adaptation and resilience.

To illustrate our commitment on addressing climate change, we have taken collaborative steps to decarbonise. For example, we actively communicate and cooperate with our tenants to collect feedbacks and their water and electrical consumption data to analyse the necessity to implement any policies or equipment in reaching our climate targets. Posters and guidance signs are posted in all common areas, including lift lobbies and car parks. We also provide technical advice to tenants, if required, to ensure high energy efficiency with our properties.

In 2022, the Group have cooperated with State Power Investment Corporation Chongqing Electric Power Co., Limited (国家电投重庆电力有限公司) to enhance the central air-conditioning system in Ying Li IMIX Park through the establishment of the SmartEco System. The SmartEco System included a self-monitoring function that allow data and information can be shared more efficiently and accurately. Besides, the SmartEco System can also improve the operating life and reduce the maintenance cost of the air-conditioning system by 20-40% and 10-50% respectively. We have also predicted that 2,221 MWh of electricity consumption can be reduced annually in Ying Li IMIX Park with the help of SmartEco System.

Climate Change

In recent years, climate change has become one of the world's most significant and challenging issues. Reducing and controlling carbon emission have become an inevitable responsibility for all enterprises. Ying Li proactively develops and discloses our climate resilience strategy with reference to the recommendations of the Task Force on Climate-Related Financial Disclosure ("**TCFD**") to provide our stakeholders with consistent and comparable information on our climate-related risks and opportunities.

In order to pursue strategies that able to maintain the Group's resilience to climate change, we have conducted a climate change risk assessment with reference to the TCFD recommendations by analysing the potential impacts on different business sector and develop solutions to mitigate and adapt to climate change.

SUSTAINABILITY REPORT

Below is a summary of the prioritised climate related risks and potential impacts:

<table>
<tr><th colspan="2">TYPE OF RISKS</th><th>RISKS</th><th>POSSIBLE IMPACTS</th></tr>
<tr><td rowspan="7">Transition Risks</td><td rowspan="4">Policy and legal</td><td>Tightened requirements and regulations on building energy efficiency and green building standards</td><td>• Increased capital expenditures in construction and operations.
• Increased risk of non-compliance with stricter standards and reduced revenue.</td></tr>
<tr><td>Implementation of carbon pricing</td><td>• Increased capital expenditures in construction materials, fuel, electricity and waste management.</td></tr>
<tr><td>Stricter requirements and framework on disclosure of climate resilience strategy</td><td>• Increased capital expenditures to adopt the framework and requirement for disclosing climate risk and strategy.
• Necessity to further implement sustainable and green facilities and strengthen data management.
• Potential increase in demand of building modifications and resources for climate resilience that may lead to cost implications.</td></tr>
<tr><td>Stricter requirements on our sustainable and green properties in achieving more green building certifications</td><td>• Increased capital expenditures in improving our sustainability strategy and maintain competitiveness in the industry.</td></tr>
<tr><td>Market</td><td>Increased expectation from stakeholders</td><td>• Increase capital expenditures in providing a detailed climate resilience strategy to gain confidence from stakeholders, where further measures and commitment are required.
• Potential negative impacts on share price if the efforts paid in climate risk disclosure could not meet investors' expectations.</td></tr>
<tr><td>Technology</td><td>Stricter technical requirements for construction of new energy development are in place due to an increase in demand in renewable energy</td><td>• Increased capital expenditures in construction and operations for the procurement of new technologies.
• Decreased profitability due to an increased cost of sustainable materials.</td></tr>
<tr><td rowspan="2">Physical Risks</td><td>Acute</td><td>Increased frequency and severity of extreme weather events such as typhoons and rainstorms</td><td>• Decreased revenue due to extreme weather events that would delay construction progress.
• Increased capital expenditures for the implementation of climate mitigation and adaptation measures.
• Supply chain disruption occurs more often, leading to shortage of key supplies and escalated cost.</td></tr>
<tr><td>Chronic</td><td>Increased in average temperature and frequency of extreme hot days</td><td>• Increased capital expenditures for the implementation of mitigation measures required.
• Supply chain disruption occurs more often, leading to shortage of key supplies and escalated cost.
• As the frequency of power outage increases, the government implemented restrictions on energy usage which affect our daily operation.</td></tr>
</table>

SUSTAINABILITY REPORT

GREENHOUSE GAS ("GHG") EMISSIONS

As greenhouse gas emissions is the main source that led to global warming and climate change, we are committed to minimise our carbon footprint by lowering GHG emissions in order to support China and Singapore in achieving carbon neutrality.

Our GHG emissions data is calculated and presented generally in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards issued by the World Resources Institute and the World Business Council for Sustainable Development in order to represent a fair account of GHG emissions and allow aggregation, comparability and trend analysis with historical data.

The Group's major sources of GHG emissions are divided into two categories. Fuel consumption and fugitive emissions are categorised as direct GHG emissions (Scope 1); whilst electricity consumption, water and paper consumption, and air travel by employees for business trips are categorised as indirect GHG emissions (Scope 2 and Scope 3).

According to the Design Management System (设计管理制度) and Construction Application Management System (开发报建管理制度), Ying Li strives to show its support and commitments by developing long term strategies and policies to actively reduce its GHG emissions.

WATER RESOURCES

Water is an elementary natural resource and having access to safe and clean water is a basic requirement for human being. As water is becoming increasingly scarce globally, we are committed to conserving and consuming water wisely and responsibly during our operation.

In Chongqing of the PRC, all of the water consumed by our operations including freshwater, cooling, toilet flushing and landscaping are supplied by Chongqing Water Supply Limited Company (重庆自来水有限公司), Chongqing Zhongfa Water Supply Ltd. (重庆中法供水有限公司) and Chongqing Jiangjin Tap Water Company (重庆市江津区自来水公司).

Ying Li has implemented a series of water management strategies under Construction Application Management System (开发报建管理制度) and Engineering Management System (工程管理制度) to actively reduce water consumption and increase water efficiency. At our managed properties and offices, water-efficient fittings and water meters have been installed to allow regular monitoring and ensure all usage are tracked and reported. In case of any unusual variation or incidents, we can ensure the equipment can be fixed immediately to avoid unnecessary water consumption. Besides, water-conservation guidelines and slogans are posted in common area, including toilets to increase the awareness among employees, tenants, customers, and communities.

SUSTAINABILITY REPORT

ENERGY USAGE

The Group regards energy-saving transformation as an important part of its management system as energy consumption has been one of our major operating expenses. Therefore, we aim to beef up our efforts in energy conservation and strive to embed the concepts of sustainability into the design and construction stages.

Ying Li has adopted energy-saving measures in different operations to improve the energy efficiency. We have implemented high energy efficient designs into our building design plans, including using appropriate insulation and ventilation with exhaust heat recycling systems and recycled water systems for air conditioning which maximise the use of efficient heating, ventilation, and air conditioning (HVAC). Furthermore, smart lighting and efficient LED luminaires are being used throughout our properties to reduce unnecessary lighting and improve energy efficiency with remote control function. We also share updates and provide advice through various communication channels to encourage our tenants to reduce consumption and allow them to understand energy efficient measures in the property and provide technical energy-saving advice if needed. Besides, the Group has continuously cooperated with other specialists to improve the electricity system in our properties to improve energy efficiency.

We are committed to develop sustainable and green properties which not only benefit our tenants, but also the environment. As of 31 December 2022, 22% of our investment properties have been awarded with Leadership in Energy and Environment Design (LEED) certification. Nevertheless, we will continue to improve our sustainability strategy to pursue green building certifications and contribute to raise the industry standards to build a better environment for the future.

WASTE MANAGEMENT

The Group is committed to the goal of minimising waste generation and maximising diversion from landfills. As a real estate developer and manager, our main sources of waste are generated from construction and tenant activities. Therefore, we are constantly consolidating ideas and solutions to improve our waste management practice and adhere to the local regulations on waste segregation, collection, and disposal.

As tenant activities are one of the main sources of waste in our managed properties, we have various initiatives to encourage them to reduce, reuse and recycle waste. For example, we provide recycling bins in properties which increase convenience and accessibility for the tenants.

Paper waste constitutes the largest portion of office waste in our operation. We extend the mindset of responsible procurement through our operations, for instance, all the office paper purchased are certified by the Forest Stewardship Council. We also encourage our staff to consider environmentally friendly options when purchasing other office supplies. Besides, our office has introduced the use of online servers where all office documents and information can be accessed via laptop and electronic devices. However, in case printing is needed, our offices have posted up advertisements to encourage our staff to use black and white printing, double-sided printing as well as recycled paper for internal documents printing wherever possible.

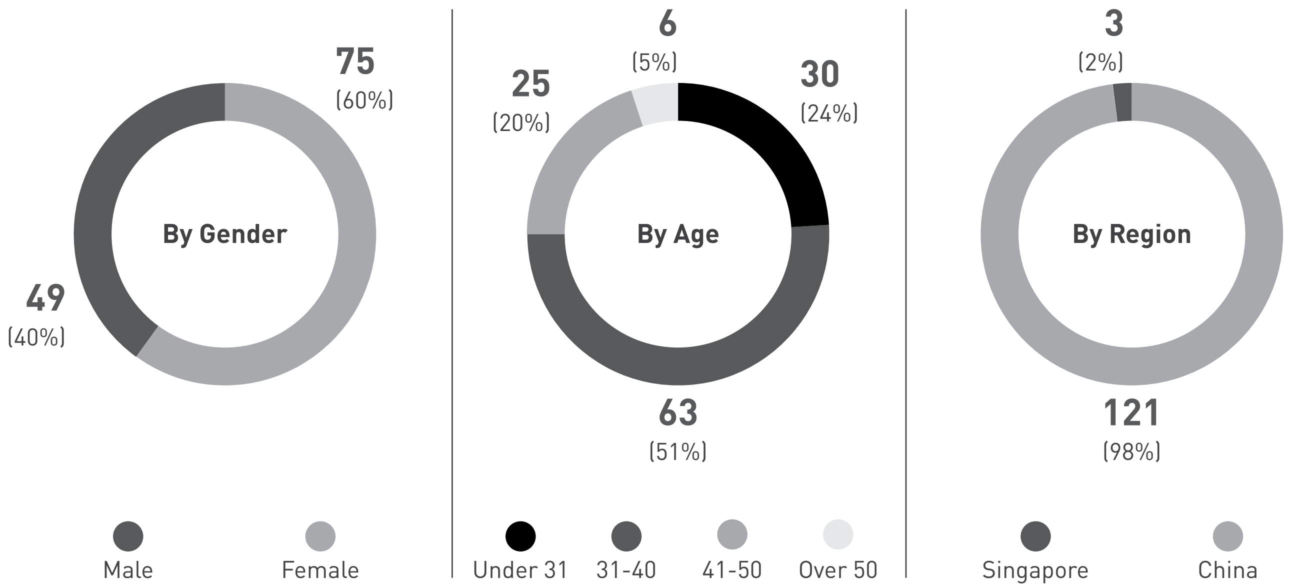
SUSTAINABILITY REPORT

OUR PEOPLE

The Group is truly aware that without the talents and commitment of its employees, its successful business growth would not be feasible. Based on Ying Li's 2022 Staff Handbook (英利国际置业股份有限公司员工手册-2022年修订版) (the "**Staff Handbook**"), the Group strive to act as a responsible employer to meet the expectations of the people who work for it, by providing a fair and inclusive, safe, healthy and productive working environment for its employees. Besides, Ying Li strictly follows the guidelines listed in the Staff Handbook on employees' working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare to ensure its employees are having a fair and comfortable working environment. Furthermore, the Group makes every effort to provide support to allow them to achieve their full potential.

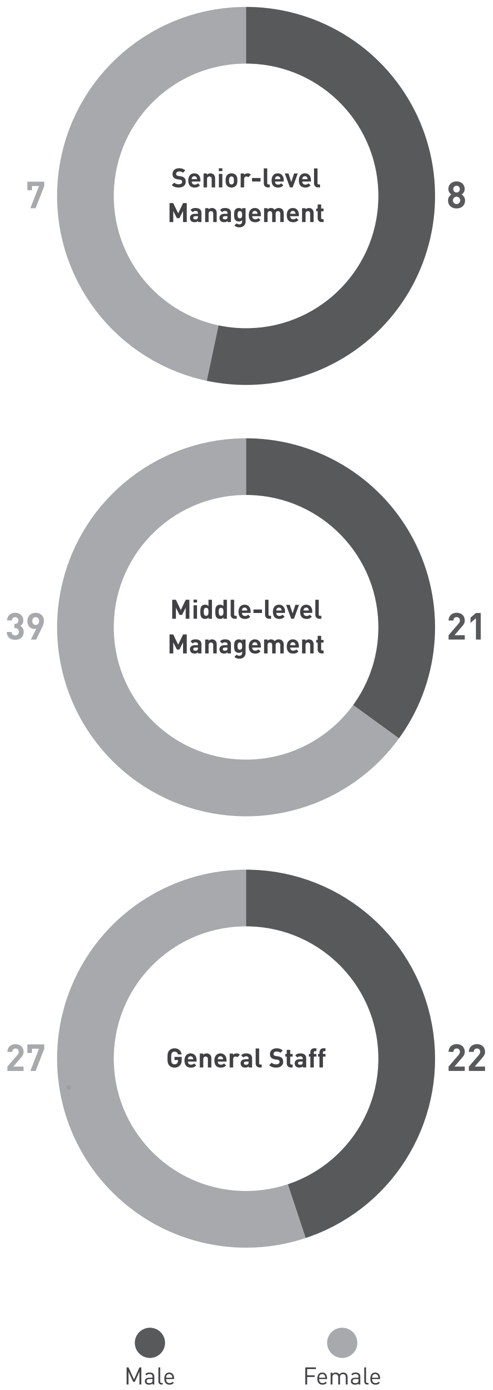
As of 31 December 2022, Ying Li had a total of 124 employees, all of which were permanent, full-time employees.

Total Workforce by Gender, Age and Region



SUSTAINABILITY REPORT

Gender Distribution by Employment Category

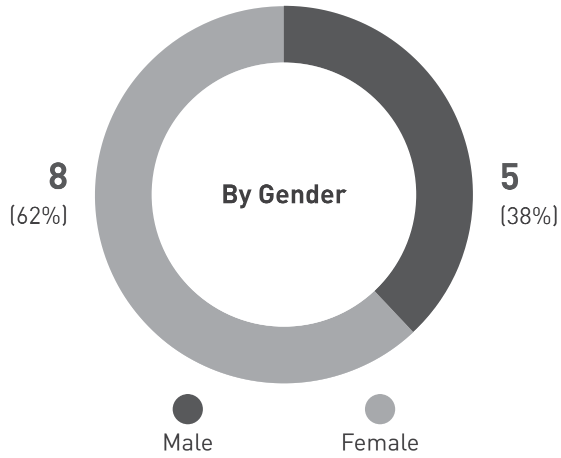


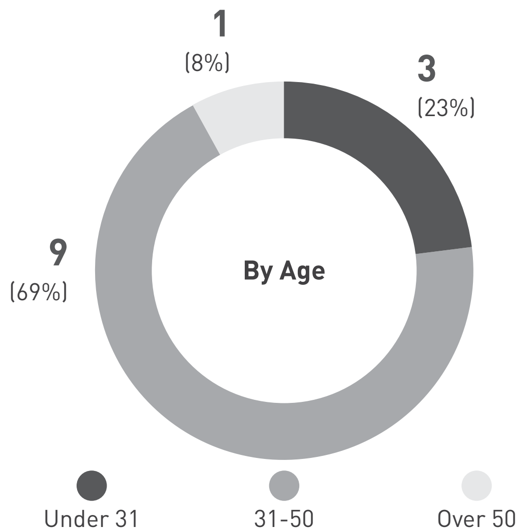
Talent Recruitment and Retention

As the Group is committed to a people-centred culture, it strives to recruit, retain and capitalise on talents. Therefore, the Group is committed to providing competitive benefits, safe and healthy work place, as well as to support its staff to fulfil their potential and deliver quality product and services to customers. Based on its Staff Handbook, the Group ensures compliance with all local laws and regulations in relation to recruitment and promotion, compensation and dismissal, diversity, equal opportunity, working hours, etc.

During the Reporting Period, there were 13 new employees, accounting for 11% of the Group's total workforce as of 31 December 2022, while the turnover (including resignation and retirement) rate was recorded at 9%.

New Employees by Gender and Age





SUSTAINABILITY REPORT

DIVERSITY AND INCLUSION

We advocate a diverse and inclusive work environment to our employees which enable people with different backgrounds can work together and thrive in this workplace. Our policies and guidance stipulated in the Staff Handbook have demonstrated our commitment to avoid discrimination or harassment on the grounds of age, race, marital and family status, religion, disability and other factors. Furthermore, we endeavour to carry out fair judgement regarding decisions on recruitment, promotion and dismissal. We will evaluate employees' abilities mainly based on their experience, performance and capabilities and ensure there will be no misconduct or unethical behaviour, such as bribery, use of child labour and forced labour and discrimination, during the process.

We will not tolerate any scale or type of harassment and discrimination in our work environment. Regular training on anti-discriminations and harassment are provided for all employees. Besides, we have set up a formal grievance channel to allow employees to express their opinions and raise complaints or issues related to harassment, discrimination or vilification without worrying about retribution.

Besides, Ying Li also carries out independent audits of its human resources policies to identify any risk of non-compliance and take remedial action if such risks are identified. Immediate actions will be taken to investigate and address issues with clear procedures, if needed, internal disciplinary actions or referral to relevant authorities will be taken place.

EMPLOYEE TRAINING

Talent has been a major pillar underpinning our success and the key driver propelling our sustainable development. The Group believes providing equal training opportunities to employees equally can improve their performance in their current roles and prepare them for future challenges and opportunities with new addition skills. Therefore, we have implemented the Employee Training Management Policy (公司培训管理制度) to provide various trainings through both in-person and virtual format to ensure our employees receive training regardless the COVID-19 pandemic. As we strongly believe nourishing talents is the key to boosting our business growth in the long term, we are also open to sponsoring our employees' educational subsidies, such as seminars, short courses, bachelor's and master's degrees, to pursue external trainings. In 2022, all 124 employees have done an average of 62 hours in various training courses, more detailed data are listed in Appendix A: Sustainability Scorecard below.

As the importance of soft skills cannot be neglected, we have organised various workshops and awareness training courses to ensure they adhere to practices relating to the prevention of bribery, fraud, and corruption.

Ying Li uses external consultants to conduct regular surveys to understand and review the effectiveness of the existing employee training management policy. These reviews can allow the Group to monitor and take follow up actions to address current and future gaps and opportunities in order to ensure its employees can keep improving their skill sets on an uphill trend and support the Group's business growth.

PERFORMANCE APPRAISAL

Ying Li supports all its employees to strive for continuous improvements. In order to speed up this process, we set up internal assessment to closely monitor their personal and career development by assisting them to set feasible goals along with continuous evaluation. During the evaluation, respective direct supervisors will organise regular meetings with employee to reflect their performance. This internal assessment can allow us to collect feedback on suitable training programmes, understand the performance and skills of each team, and suggest appropriate improvements needed for each team. Furthermore, it enhances the annual training programme to improve the skills of our employees and boost the overall productivity of the Group.

During the Reporting Period, all employees were subjected to an annual performance appraisal by their supervisors.

SUSTAINABILITY REPORT

EMPLOYEE WELLNESS

As Ying Li believes its people's well-being is vital to maintain a positive and productive work environment, it seeks to enhance the wellness of people, including its direct or indirect employees and customers. For our employees, we prioritise to maintain an inclusive, open-minded and caring workplace as well as providing effective trainings to allow the growth of their career development. Besides, we also implement measures to safeguard our employees' health and safety in the workplace, especially during the COVID-19 pandemic. The Group also provides various methods to allow its employee to seek advice on implementing the Group's policies as well as raise concerns or report any misconduct within the Company. A whistleblowing policy is in place to encourage employees to come forward about concerns. In this Reporting Period, there was no registered case handled. For our customers, we ensure to provide a healthy and safe environment at our properties to increase the satisfaction while visiting our premises.

We strive to enhance employees' well-being by hosting a variety of team-bonding activities, not only to advocate work-life balance, but also improve their physical and mental health. During the Reporting Period, we organised periodic employee gatherings during major festivals and sports competitions as well as regular weekly badminton days.

OCCUPATIONAL HEALTH AND SAFETY

Safety is of paramount importance to our business operation. Health and safety risks are adequately managed and mitigated by our Safety and Equipment Management Policy (公司安全生产管理制度) which applied across all our operations and subsidiaries. We also strictly comply with all applicable laws and regulations, including Work Safety Law of the PRC.

The Group strives to apply the highest safety standard in construction/renovation projects to eliminate the rate of fatalities and life-changing injuries at construction sites. In order to ensure our construction staffs and contractors have sufficient safety knowledge and enhance the awareness of safety, compulsory trainings are organised. We have also institutionalised our construction safety management as well as outlined the health and safety requirements listed in our Construction Management Policy (工程管理制度) to ensure contractors are notified and comply with our relevant health and safety regulations. The Group has delegated specific responsibilities to various parties for managing potential safety hazards in different type of construction works, including foundation and superstructure constructions, renovations, alterations and additional works. Besides, delegated parties are required to do regular monitoring and reporting to identify areas which may require extra attention to prevent accidents from occurring. Our design and management of properties strictly follow the prevailing standard to ensure health and safety of building users.

We have set up platforms for employees to raise their creative suggestions and provide feedbacks on our current health and safety policies. It encourages participation, and at the same time, enhances the overall health and safety awareness in our workplace.

To minimise the impacts from unexpected incidents of any kind, the Group has implemented emergency response plans as part of the Safety Management Policy for its Property and Project Management Division in the following aspects:

- Fire
- Flood
- Torrential rain
- Typhoon
- Power outage
- Elevator failure
- Gas leakage
- Burglary
- Fights or violence
- Demonstration or riot
- Bomb disposal
- Gas leakage

During the Reporting Period, we did not record any case of occupational injury or illness of our employees as well as contractors working in our sites.

SUSTAINABILITY REPORT

MEMBERSHIP ASSOCIATIONS

Ying Li continues to participate in professional trade organisations to remain updated on the latest laws and regulations, industry trends and the best practises in its operations. The table shown below listed the membership owned by the Group and its participation in the industry and profession.

INSTITUTION	CLASS OF MEMBERSHIP
Singapore Business Federation	Corporate Member
China Enterprise Anti-Fraud Alliance	Corporate Member
Chongqing Building Economy Promotion Association	Vice President
SingCham of Chongqing	Corporate Member

COVID-19 PANDEMIC

As the measures and restrictions for the COVID-19 pandemic are easing off in the PRC, the economy is recovering despite ongoing pandemic-related disruptions. In order to support the authorities' efforts to prevent and control the spread of COVID-19 virus, all Ying Li's departments had worked collaboratively to keep the organisation's operations sufficiently resourced at all times. In addition, we had closely followed Government's regulations and implemented necessary control measures such as increasing disinfection frequency and maintaining good ventilation in areas with high pedestrian flow. At all entrances and exits of the properties managed, temperature monitoring system and automatic disinfectant dispensers were set up for contact tracing. Apart from these, office hygiene had been regularly monitored and maintained at a high standard. Surgical face masks and alcohol wipes were provided to staffs and social distancing were encouraged in the office. Meetings were held via video conference whenever possible. Also, all staffs received updates on all COVID-19 related matters through emails.

To safeguard the health of all our employees, we issued anti-pandemic policies and intensified the implementation of preventative and control measures. Every employee was expected to take their temperature before entering the office everyday. We had also begun business continuity planning to limit the impact on our operations.

The global situation remains fluid, and it is likely to continue to have an impact in many parts of our life. We will continue to monitor our operations closely and will promptly notify our shareholders of any substantial changes in our Company.

COMMUNITY ENGAGEMENT

Ying Li has a strong sense of corporate social responsibility as a devoted member of our society by contributing to communities and fostering sustainable development and environmental conservation. We encourage every employee to be socially responsible and actively participate in social activities such as charity programmes to help those underprivileged in society, volunteering their time and efforts for natural disaster assistance programmes, educational help programmes and environmental enhancement activities. Ying Li does not have any policy on community engagement currently but will consider setting up policies in the future for improving its understanding of the communities.

In FY2022, Ying Li supported various blood donation events hosted by Chongqing Blood Center to ease the shortage of blood supply in China due to COVID-19 virus as well as raising the importance of donating blood. Besides, Ying Li has also supported the waste sorting events in Chongqing to promote social and economic development in the fight against global warming.

SUSTAINABILITY REPORT

APPENDIX A: SUSTAINABILITY SCORECARD

Economic Performance

REVENUE	UNIT	2021	2022
Revenue	RMB million	229	166

GREEN DEVELOPMENT	UNIT	2021	2022
Investment properties (since 1997)	No.	8	8
GFA of investment properties	'000 sqm	336	333
GFA of properties for sale	'000 sqm	299	296
GFA of properties for development	'000 sqm	257	257
Total GFA of all properties	'000 sqm	892	886
Regulatory incidents	No.	0	0
LEED-certified properties in our portfolio	%	22	22

Environmental Performance

EMISSIONS	UNIT	2021	2022
Scope 1 GHG Emissions[1]	tCO_2e	1,833	1,738
Scope 2 GHG Emissions[2]		17,605	16,385
Scope 3 GHG Emissions[3,4,5]		163	173
Total GHG Emissions[6]		19,601	18,297
Total GHG intensity Emissions[7]	tCO_2e/ '000 m^2	37.25	35.00
Sulphur Oxides (SO_x) Emissions[8,9]	kg	0.06	0.02
Nitrous Oxides (NO_x) Emissions[8,9]		16.21	0.90
Particulate Matter (PM) Emissions[8,9]		1.51	0.07

OTHERS ENVIRONMENTAL ASPECTS	UNIT	2021	2022
Electricity Consumption[10]	MWh	30,151	28,203
Electricity Consumption Intensity[7]	MWh/ '000 m^2	57.3	54.0
Petrol Consumption	L	4,268	1,100
Natural Gas Consumption[10]	m^3	840,706	800,331
Water Consumption[5,9,11]	m^3	324	546
Water Consumption Intensity[7]	m^3/ '000 m^2	0.6	1.0
Non-hazardous Waste Disposal[12,13]	t	4,910	3,526
Non-hazardous Waste Disposal Intensity[7]	t/ '000 m^2	9.0	6.7
Paper Consumption	t	0.5	0.9
Energy Consumption[14]	GJ	139,996	131,371

SUSTAINABILITY REPORT

Social Performance[15]

WORKFORCE	UNIT	2021	2022
By location			
China	No. (%)	131(98)	121 (98)
Singapore		2 (2)	3 (2)
By gender			
Female	No. (%)	79 (59)	75 (60)
Male		54 (41)	49 (40)
By age group			
Under 31 years old	No. (%)	42 (32)	30 (24)
31 – 50 years old		87 (65)	88 (71)
Over 50 years old		4 (3)	6 (5)
By employment category			
Senior-level management	No. (%)	14 (11)	15 (12)
Middle-level management		60 (45)	60 (48)
General staff		59 (44)	49 (40)

TURNOVER RATE	UNIT	2021	2022[16]
Overall turnover rate	%	38	9
By location			
China	%	38	8
Singapore		0	1
By gender			
Female	%	30	4
Male		48	5
By age group			
Under 31 years old	%	48	2
31 – 50 years old		34	7
Over 50 years old		0	0

AVERAGE TRAINING HOURS PER EMPLOYEE	UNIT	2021	2022
By location			
China	Hours	51	63
Singapore		20	29
By gender			
Female	Hours	58	65
Male		40	58
By employment category			
Senior-level management	Hours	47	46
Middle-level management		58	63
General staff		44	67

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY	UNIT	2021	2022
Work-related fatalities[17]	No.	0	0
Rate of work-related fatalities	per 200,000 man-hours	0	0
Work-related injuries	No.	0	0
Lost days due to work-related injuries	Days	0	0

PARENTAL LEAVE	UNIT	2022 (BY GENDER)	
		FEMALE	MALE
Employees that were entitled to parental leave	No.	4	0
Employees who took parental leave	No. (%)	4 (100)	0
Employees that returned to work in the Reporting Period after parental leave	No. (%)	3 (75)	0
Retention rate (Employees who ended their parental leave and still employed 12 months after their return to work)	%	0	0

Reporting Boundary:

Environmental performance data disclosed for 2022 includes the Group's offices, investment properties and completed properties for sale across China and Singapore. For the avoidance of doubt, all ESG data related to the activities of tenants and sold properties' occupants are not included in the Report.

Remarks:

1 Scope 1 emissions included direct GHG emissions from consumption of fuel and natural gas.
2 Scope 2 emissions included indirect GHG emissions from purchased electricity. The latest emission factors were referenced from the National Average Grid Emission Factor in China 2021 issued by the Ministry of Ecology and Environment of the PRC and the Singapore Energy Statistics 2022 issued by the Energy Market Authority of the Singapore Government.
3 Scope 3 emissions included indirect GHG emissions from water consumption, paper waste disposal and air travel.
4 ICAO Carbon Emissions Calculator was used to calculate air travel emission included in scope 3 emissions.
5 Tenant's water consumption is not calculated in this category, only consumption by Ying Li is considered.
6 Carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) were included in greenhouse gas (GHG) calculations.
7 All environmental intensities adopted total GFA of relevant properties as the denominator.
8 The sharp decrease in SO_x, NO_x and PM emissions were due to none of the shuttle bus used during the Reporting Period.
9 Emission factors were adopted from China Energy Statistics 2021 to estimate air emissions.
10 Only IFC/(IMIX Park JFB) and Ying Li International Plaza/IMIX Park Daping's natural gas consumption data were collected during the Reporting Period.
11 There was no issue in sourcing water that fits for purpose during the Reporting Period.
12 Only IFC/(IMIX Park JFB) and Ying Li International Plaza/IMIX Park Daping's non-hazardous waste disposal data were collected during the Reporting Period.
13 Non-hazardous waste disposal data does not include tenants'/occupants' waste disposal.
14 The total energy consumption is the sum of electricity consumption, natural gas consumption and petrol consumption.
15 Percentage may not add up to 100% due to rounding.
16 Since 2022, all turnover rates have been revised using the total number of employees as of 31 December as the denominator.
17 Total number of work-related fatalities in 2020 was also 0.

SUSTAINABILITY REPORT

APPENDIX B: GRI CONTENT INDEX

This SR has been prepared in accordance with the GRI Standards. The following table provides cross-reference of the relevant chapter(s) within the SR and AR as well as any clarifications or reasons for omission.

Statement of use	Ying Li has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no GRI sector standards currently applicable to the Goup

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	AR: Corporate Profile	*A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*
	2-2 Entities included in the organisation's sustainability reporting	AR: Corporate Profile	
	2-3 Reporting period, frequency and contact point	SR: Reporting Scope (P.57-58)	
	2-4 Restatements of information	Water consumption intensity was re-stated due to the alignment of reporting boundary to exclude activities of tenants and sold properties' occupants in the Report.	
	2-5 External assurance	There is no external assurance for this year's sustainability report but Ying Li will consider to seek for external assurance for future sustainability reports.	
	2-6 Activities, value chain and other business relationships	SR: Our approach to sustainability (P.58-61) SR:Environmental Protection (P.63-66)	
	2-7 Employees	SR: Our People (P.67-71) SR: Sustainability Scorecard (P.72-74)	
	2-8 Workers who are not employees	SR: Our People (P.67-71) SR: Sustainability Scorecard (P.72-74)	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
	2-9 Governance structure and composition	AR: Corporate Governance SR: Our Governance (P.61-62) None of the members of the highest governance body comes from any underrepresented social group.	
	2-10 Nomination and selection of the highest governance body	AR: Corporate Governance	
	2-11 Chair of the highest governance body	AR: Corporate Governance SR: Our Governance (P.61-62)	
	2-12 Role of the highest governance body in overseeing the management of impacts	AR: Corporate Governance SR: Our Governance (P.61-62)	
	2-13 Delegation of responsibility for managing impacts	AR: Corporate Governance SR: Our Governance (P.61-62)	
	2-14 Role of the highest governance body in sustainability reporting	AR: Corporate Governance SR: Our Governance (P.61-62)	
	2-15 Conflicts of interest	AR: Corporate Governance	
	2-16 Communication of critical concerns	AR: Corporate Governance SR: Our Approach to Sustainability (P.58-61)	
	2-17 Collective knowledge of the highest governance body	AR: Corporate Governance	
	2-18 Evaluation of the performance of the highest governance body	AR: Corporate Governance	
	2-19 Remuneration policies	AR: Corporate Governance SR: Our People (P.67-71) There is no difference in retirement benefits between the senior management and other employees of the Group.	
	2-20 Process to determine remuneration	AR: Corporate Governance The Group seeks the options of the employee representative assembly in the formulation of remuneration policy.	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
	2-21 Annual total compensation ratio		Due to confidentiality, the Company only discloses salary-related information according to the prevailing regulations.
	2-22 Statement on sustainable development strategy	SR: Our Governance (P.61-62)	
	2-23 Policy commitments	SR: Our Governance (P.61-62) Ying Li's ESG commitments are generally in line with relevant international initiatives including UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct, and Principle 15 of the Rio Declaration on Environment and Development.	
	2-24 Embedding policy commitments	SR: Our Governance (P.61-62)	
	2-25 Processes to remediate negative impacts	SR: Environmental Protection (P.63-66) SR: Our People (P.67-71)	
	2-26 Mechanisms for seeking advice and raising concerns	SR: Environmental Protection (P.63-66) SR: Our People (P.67-71)	
	2-27 Compliance with laws and regulations	There were no fines or non-monetary sanctions for non-compliance during the Reporting Period.	
	2-28 Membership associations	SR: Our People (P.67-71)	
	2-29 Approach to stakeholder engagement	SR: Our Approach to Sustainability (P.58-61)	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
	2-30 Collective bargaining agreements	There are no collective bargaining agreements. The Group and the individual employees sign a separate labour contract to stipulate the rights and obligations of both parties, and if there is a change in the policy related to the vital interests of the employee, it will also be communicated through the employee representative assembly.	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR: Our Approach to Sustainability (P.58-61) SR: Our People (P.67-71)	*A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*
	3-2 List of material topics	SR: Our Approach to Sustainability (P.58-61)	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Environmental Protection (P.63-66)	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR: Sustainability Scorecard (P.72-74)	
	302-2 Energy consumption outside of the organisation		All energy consumption data related to the activities of tenants and sold properties' occupants would be considered as energy consumption outside of the organisation in this regard. Nevertheless, such data is not available as they were not accessible by the Group.
	302-3 Energy intensity	SR: Sustainability Scorecard (P.72-74)	
	302-4 Reduction of energy consumption	SR: Environmental Protection (P.63-66)	
	302-5 Reductions in energy requirements of products and services	SR: Environmental Protection (P.63-66)	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
Water and Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Environmental Protection (P.63-66)	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR: Our Governance (P.61-62) SR: Environmental Protection (P.63-66)	
	303-2 Management of water discharge-related impacts	SR: Our Governance (P.61-62) SR: Environmental Protection (P.63-66) Our properties in China have followed GB 8978-1996 and equivalent standards.	
	303-3 Water withdrawal	All water consumed by our operations is obtained from municipal water supplies, who took the freshwater from above surface water bodies.	
	303-4 Water discharge	All consumed water by our operations is discharged to municipal sewer.	The water discharge data is not metered in the Reporting Period as it is not a requirement by the government.
	303-5 Water consumption	SR: Sustainability Scorecard (P.72-74)	We will study water stress in the future; and water storage in our residential/ commercial buildings would not cause significant water-related impacts.
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Environmental Protection (P.63-66)	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: Sustainability Scorecard (P.72-74) Only CO_2, N_2O and CH_4 were included in the calculations and there were no biogenic GHG emissions. GWP values from IPCC AR6 were adopted.	
	305-2 Energy indirect (Scope 2) GHG emissions	SR: Sustainability Scorecard (P.72-74) Grid emission factors were referenced from the National Average Grid Emission Factor in China 2021 issued by the Ministry of Ecology and Environment of the PRC and the Singapore Energy Statistics 2022 issued by the Energy Market Authority of the Singaporean Government.	
	305-3 Other indirect (Scope 3) GHG emissions	SR: Sustainability Scorecard (P.72-74)	
	305-4 GHG emissions intensity	SR: Sustainability Scorecard (P.72-74)	
	305-5 Reduction of GHG emissions	SR: Environmental Protection (P.63-66) SR: Sustainability Scorecard (P.72-74)	
	305-6 Emissions of ozone-depleting substances (ODS)	The quantity of ODS emitted by Ying Li is not significant.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SR: Sustainability Scorecard (P.72-74) Emissions from POP, VOC and HAP are regarded as insignificant compared to emissions from PM, NO_x and SO_x.	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Environmental Protection (P.63-66) SR: Our People (P.67-71) There are no laws and regulations that have a significant impact on the Group relating to discharges into water and land, and generation of hazardous and non-hazardous waste.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR: Environmental Protection (P.63-66)	
	306-2 Management of significant waste-related impacts	SR: Environmental Protection (P.63-66)	
	306-3 Waste generated	SR: Sustainability Scorecard (P.72-74)	
	306-4 Waste diverted from disposal	SR: Environmental Protection (P.63-66)	The quantity of waste diverted from disposal is not recorded as it is not a requirement by the government.
	306-5 Waste directed to disposal		The amount of waste directed to disposal is not recorded as it is not a requirement by the government.
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Our People (P.67-71)	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR: Sustainability Scorecard (P.72-74)	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Group do not have any temporary or part-time employees during the Reporting Period.	
	401-3 Parental leave	SR: Sustainability Scorecard (P.72-74)	

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION/REASON FOR OMISSION
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Our People (P.67-71)	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR: Sustainability Scorecard (P.72-74)	
	404-2 Programs for upgrading employee skills and transition assistance programs	SR: Our People (P.67-71)	
	404-3 Percentage of employees receiving regular performance and career development reviews	SR: Our People (P.67-71) SR: Sustainability Scorecard (P.72-74)	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability (P.58-61) SR: Our People (P.67-71)	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AR: Corporate Governance SR: Our People (P.67-71) SR: Sustainability Scorecard (P.72-74) There were no ethnic minorities within our staff in the Reporting Period.	
	405-2 Ratio of basic salary and remuneration of women to men		Due to confidentiality, the Company only discloses salary-related information according to the prevailing regulations.

SUSTAINABILITY REPORT

APPENDIX C: COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON YING LI

Emissions
In order to protect and improve the environment, prevent pollution and other public hazards, safeguard public health, promote the development of ecological conservation, and promote sustainable economic and social development, China has enacted a large number of laws to protect environmental resources. Key laws and regulations applicable to the Group include the Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Water Pollution Prevention and Control Law of the PRC, Marine Environment Protection Law of the PRC, Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Prevention and Control of Environmental Noise Pollution and Atmospheric Pollution Prevention and Control Law of the PRC. These laws and regulations provide clear requirements on air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The Group shall comply with all the above laws and regulations, otherwise it may be subject to penalties, suspension of operation, and/or legal actions against the Group by regulatory authorities. In 2022, there was no confirmed case of non-compliance in relation to environmental protection that would have a significant impact on the Group.
Employment
The Labour Law of the PRC, Labour Contract Law of the PRC and the Employment Act of Singapore stipulate the legal obligations and responsibilities of employers to provide employment protection and benefits covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Social Insurance Law of the PRC is formulated for the purpose of regulating sickness insurance, occupational injury insurance, maternity insurance, medical care insurance, retirement insurance, and death insurance, and also clarifies the legal liabilities of the employers. The Regulation on the Management of Housing Provident Fund of the PRC is formulated for the purpose of maintaining the lawful rights and interests of housing provident fund owners. These laws and regulations provide relevant protection for the Group's employees and safeguard their lawful rights. The Group will continue to comply with all relevant employment laws and regulations to protect the Group's most valuable asset – employees. In 2022, there was no confirmed case of non-compliance in relation to the Group's employment practices that would have a significant impact on the Group.
Health and Safety
The Labour Law of the PRC, and Work Safety Law of the PRC commit to the protection of labour safety and production safety, and require manufacturing organisations and employers to provide a safe working environment and protect employees from occupational hazards. The Social Insurance Law of the PRC is formulated for the purpose of regulating sickness insurance, occupational injury insurance, maternity insurance, medical care insurance, retirement insurance, and death insurance, and also clarifies the legal liabilities of the employers. Compliance with these laws and regulations is the Group's top priority as workplace safety is of critical importance to each and every employee of the Group. As a socially responsible enterprise, the Group complies with the relevant health and safety laws to provide employees with a safe workplace and suitable insurance. In 2022, there was no confirmed case of non-compliance in relation to health and safety that would have a significant impact on the Group.

SUSTAINABILITY REPORT

Labour Standards
The Labour Law of the PRC and the Employment Act of Singapore set out clear rules for preventing child labour and forced labour, and provide the legal liabilities of employers who violate the relevant laws and regulations. Ying Li highly values human rights and aims to demonstrate its "People-Oriented" corporate spirit through strictly complying with the relevant labour standards. In 2022, there was no confirmed case of non-compliance in relation to labour standards that would have a significant impact on the Group.
Product Responsibility
The Law of the PRC on Product Quality is formulated with the aim of strengthening product quality monitoring, improving product quality, specifying product quality responsibility, safeguarding legal rights of customers, as well as protecting social and economic order. These laws and regulations provide clear requirements on health and safety matters and remedial methods relating to products and services provided. The Group complies with the relevant laws and regulations in relation to product responsibility to ensure customers receive safe, reliable and private service. Ying Li provides adequate customer service for all of its' residential and commercial properties users. In 2022, there was no confirmed case of non-compliance in relation to product responsibility that would have a significant impact on the Group. Besides, there is no laws and regulations that have a significant impact to Ying Li in relation to advertising, labelling and privacy matters.
Anti-corruption
The Anti-Unfair Competition Law of the PRC and the Anti-Corruption Regulation of Singapore set out clear rules on preventing bribery, extortion, fraud, and money laundering. These laws and regulations aim to maintain social integrity and fairness, prevent unfair competition, and protect the legal rights of service providers and customers. The Group firmly believes that misconduct such as corruption has significant negative impact to the business development. Therefore, the Group strictly complies with the relevant anti-corruption laws and regulations to maintain a good reputation and enhance its competitiveness. In 2022, there was no confirmed case of non-compliance in relation to corruption and anti-competitive practices that would have a significant impact on the Group, and there was no legal case related to corruption raised and trial concluded towards the Group or its employees.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2022

The directors present their statement to the members together with the audited consolidated financial statements of Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 94 to 165 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and Company will be able to pay their debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Zhang Mingao
Yang Haishan
Wang Hongyang
Chia Seng Hee, Jack
Tan Sek Khee
Chen Guodong
Ma Jieyu

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	HOLDINGS REGISTERED IN NAME OF DIRECTOR		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT 1.1.2022	AT 31.12.2022	AT 1.1.2022	AT 31.12.2022
Company				
(No. of ordinary shares)				
Chia Seng Hee, Jack	1,000	1,000	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2022

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company under option.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Chia Seng Hee, Jack (Chairman)	(Chairman and Lead Independent Director)
Tan Sek Khee	(Independent Director)
Wang Hongyang	(Non-Executive and Non-Independent Director)

All members of the Audit Committee are non-executive directors and majority are independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Audit Committee reviewed:

(i) the scope and the results of internal audit procedures with the internal auditor;

(ii) the audit plan and the audit findings of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the assistance given by the Company's management to the independent auditor; and

(iv) the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor has unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2022

INDEPENDENT AUDITOR

The independent auditor, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), has expressed its willingness to accept re-appointment.

On behalf of the directors

....
Zhang Mingao
Director

....
Yang Haishan
Director

6 April 2023

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 94 to 165.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Valuation of investment properties
(Refer to Note 16 to the financial statements)
(See accounting policies on Note 2.8 and critical accounting estimates on Note 3(a))

Area of focus

The Group has a portfolio of investment properties in the People's Republic of China (the "PRC") with a carrying value of RMB4.09 billion representing 67% of the Group's total assets as at 31 December 2022. Investment properties represent the most significant asset on the consolidated statement of financial position of the Group.

The Group has accounted for its investment properties at fair value which are determined based on external valuations by independent real estate valuers. The valuation process involves significant judgements in determining the appropriate valuation methodologies and in applying the key assumptions or estimates applied in the valuation which are dependent on the prevailing market conditions and require certain adjustments by the real estate valuers.

Given the degree of complexity, subjective nature and the involvement of assumptions in the valuation process, additional audit focus was placed on this area. Any input inaccuracies, unreasonable bases used or any change in the key assumptions applied by the real estate valuers such as the discount rate, terminal yield rate, capitalisation rate and price per square metre used in the valuation model could result in a material misstatement of the Group's consolidated financial statements.

How our audit addressed the area of focus

We assessed the real estate valuers' qualifications and their expertise and we read the terms of engagement of the real estate valuers with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We considered the appropriateness of the valuation methods used, which included direct comparison method and income method, against those applied for similar property types in the market and held discussion with the real estate valuers and management to understand the adopted valuation methodologies. Together with our internal valuation specialists, we assessed and evaluated the reasonableness of the key assumptions used in the valuation which included the suitability of comparable properties, price per square metre and adjustments made to derive the price per square metre, projected income and costs, growth rates, capitalisation rates and the discount rates, against historical rates and available market data, taking into consideration comparability and market factors.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and the key assumptions in the estimates. This includes the relationship between the key unobservable assumptions or inputs and the fair values.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Valuation of financial asset, at fair value through profit or loss
(Refer to Note 15 to the financial statements)
(See accounting policies on Note 2.11 and critical accounting estimates on Note 3(b))

Area of focus

As at 31 December 2022, the Group has an investment in an unquoted equity of a limited partnership (the "Investment") with a carrying value of RMB210 million representing 3% of the Group's total assets. The underlying assets of the Investment pertain to an integrated property project (the "Project") in Tongzhou District, Beijing which has been classified as financial asset, at fair value through profit or loss.

The fair value of the Investment at the end of the financial year is determined based on valuation performed by an international independent firm of professional valuers who has the requisite qualification and experience in the financial asset being valued, taking into consideration the fair value of the underlying assets of the Project as determined by another international independent firm of professional real estate valuer and the terms and consideration of the investment agreement signed between the Group and other shareholders of the limited partnership (the "Investment and Partnership Agreement").

Estimating the fair value of the Investment is a complex process which involves a number of judgements and estimates regarding various inputs. In addition, due to the nature of the underlying assets which require multiple phases of development, the valuation of the Project is determined using the direct comparison method, income method and residual method that involve the use of unobservable inputs, accordingly additional audit focus was placed on this area.

How our audit addressed the area of focus

We focused on the valuation process and considered the Group's processes for the selection of the valuers, the determination of the scope of work of the valuers and the review and acceptance of the valuations reported by the valuers. We assessed the valuers' qualifications and their expertise and we read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We considered the valuation methods used, which included direct comparison method, income method and residual method, against those applied for similar property types. Together with our internal valuation specialists, we assessed the reasonableness of the key assumptions used in the valuations such as price per square metre and adjustments made to derive the price per square metre, projected income and costs, growth rates, capitalisation rates and the discount rates, against historical rates and available market data, taking into consideration comparability and market factors. We have reviewed the mathematical correctness of the fundamental calculation steps, including the bases of distribution in accordance with the Investment and Partnership Agreement. We also considered the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Valuation of development properties
(Refer to Note 14 to the financial statements)
(See accounting policies on Note 2.17 and critical accounting estimates on Note 3(c))

Area of focus

Development properties (consisting of properties for development and completed properties for sale) represent a significant proportion of the assets in the Group's consolidated statement of financial position. As at 31 December 2022, the carrying value of development properties is RMB965 million representing about 16% of the Group's total assets.

The Group assesses at each reporting date the net realisable value of development properties based on the requirement of SFRS(I) 1-2 Inventories. Management's assessment of the net realisable value of the properties is a judgemental process, which takes into account of the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale. The Group also engaged independent professional valuer to estimate the net realisable value for certain properties which have higher risk of write-down. In determining the net realisable value, the valuer uses valuation methods which involves certain estimates. In relying on the valuation report, management has exercised its judgement and is satisfied that the valuation method is reflective of current market conditions and the estimations used are appropriate.

Specific audit focus in this area is required, as the determination of the estimated net realisable value of the development properties involves significant judgements and is critically dependent upon management and/or the valuer's expectation of recent and future selling prices which are assessed with reference to market prices at the reporting date for comparable properties and estimated selling costs.

How our audit addressed the area of focus

We discussed with management regarding its basis for net realisable value including reviewing and evaluating the methods and assumptions used. As part of the evaluation, we have considered the sales patterns in the past few years, current market prices of the properties involved or the comparable properties and the prevailing property market conditions.

Where valuation determined by valuer was used as the basis for net realisable value of the development properties, we also assessed the valuer's qualifications and its expertise and we read the terms of engagement of the valuer with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon its work.

We considered the appropriateness of the valuation methods used by the valuer against those applied for similar property types in the market. We assessed the reasonableness of the key assumptions used in the valuation models which included the estimated price per unit and the term yield, against historical prices and available market data, taking into consideration comparability and market factors. We also considered the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ying Li International Real Estate Limited and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- valuate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this Independent Auditor's Report is Meriana Ang Mei Ling.

CLA Global TS Public Accounting Corporation
(Formerly known as Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants

Singapore
6 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2022

	NOTE	2022 RMB'000	2021 RMB'000
Revenue	4	166,125	228,816
Cost of sales		(47,488)	(70,741)
Gross profit		118,637	158,075
Other income	7	12,060	15,202
Other losses			
- Loss allowance on trade and other receivables	27(b)	(21)	(1,073)
- Others - net	8	(333,158)	(217,891)
Expenses			
- Distribution and marketing		(23,497)	(32,175)
- Administrative		(88,332)	(83,747)
- Finance	9	(138,127)	(134,052)
Loss before income tax		(452,438)	(295,661)
Income tax credit	10	105,768	32,382
Net loss for the financial year		(346,670)	(263,279)
Other comprehensive (loss)/income			
Items that maybe reclassified subsequently to profit or loss:			
Net currency translation differences arising from consolidation	25(b)(iv)	(128,649)	53,450
Other comprehensive (loss)/income, net of tax		(128,649)	53,450
Total comprehensive loss		(475,319)	(209,829)
Net loss attributable to:			
Equity holders of the Company		(341,204)	(254,114)
Non-controlling interests		(5,466)	(9,165)
		(346,670)	(263,279)
Total comprehensive loss attributable to:			
Equity holders of the Company		(469,853)	(200,664)
Non-controlling interests		(5,466)	(9,165)
		(475,319)	(209,829)
Loss per share for loss attributable to equity holders of the Company			
Basic loss per share (RMB)	11	(0.133)	(0.099)
Diluted loss per share (RMB)	11	(0.133)	(0.099)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	NOTE	GROUP 2022 RMB'000	GROUP 2021 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	370,773	567,936
Trade and other receivables	13	440,931	456,841
Development properties	14	964,622	1,036,947
		1,776,326	2,061,724
Non-current assets			
Property, plant and equipment	17	50,745	51,824
Investment properties	16	4,094,253	4,102,384
Financial asset, at fair value through profit or loss ("FVPL")	15	210,000	621,799
		4,354,998	4,776,007
Total assets		6,131,324	6,837,731
LIABILITIES			
Current liabilities			
Borrowings	19	513,963	432,952
Trade and other payables	20	428,771	1,197,633
Provisions	21	421,907	406,499
Current income tax liabilities		179,647	179,731
		1,544,288	2,216,815
Non-current liabilities			
Other payable – related party	20	224,092	–
Borrowings	19	1,962,000	2,056,314
Deferred income tax liabilities	22	365,181	471,027
		2,551,273	2,527,341
Total liabilities		4,095,561	4,744,156
NET ASSETS		2,035,763	2,093,575
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	4,028,372	4,028,372
Perpetual convertible securities	24	878,970	878,970
Other reserves	25	(1,995,047)	(1,866,398)
Accumulated losses		(866,536)	(942,839)
Equity attributable to equity holders of the Company		2,045,759	2,098,105
Non-controlling interests	18	(9,996)	(4,530)
TOTAL EQUITY		2,035,763	2,093,575

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	NOTE	COMPANY 2022 RMB'000	COMPANY 2021 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	2,677	22,472
Trade and other receivables	13	2,685,426	2,677,956
		2,688,103	2,700,428
Non-current assets			
Property, plant and equipment	17	17	3
Investments in subsidiaries	18	3,116,474	2,966,325
		3,116,491	2,966,328
Total assets		5,804,594	5,666,756
LIABILITIES			
Current liabilities			
Borrowings	19	573,585	397,793
Trade and other payables	20	1,435,719	2,221,431
		2,009,304	2,619,224
Non-current liabilities			
Other payable – related party	20	224,092	-
		244,092	-
Total liabilities		2,233,396	2,619,224
NET ASSETS		3,571,198	3,047,532
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	4,028,372	4,028,372
Perpetual convertible securities	24	878,970	878,970
Other reserves	25	1,360	31,415
Accumulated losses		(1,337,504)	(1,891,225)
TOTAL EQUITY		3,571,198	3,047,532

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

		← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →									
	NOTE	SHARE CAPITAL RMB'000	PERPETUAL CONVERTIBLE SECURITIES RMB'000	REVERSE ACQUISITION RESERVE RMB'000	CONVERTIBLE BONDS RESERVE RMB'000	STATUTORY COMMON RESERVE RMB'000	CURRENCY TRANSLATION RESERVE RMB'000	ACCUMULATED LOSSES RMB'000	TOTAL RMB'000	NON-CONTROLLING INTERESTS RMB'000	TOTAL RMB'000
Group											
Balance as at 1 January 2022		4,028,372	878,970	(2,034,754)	42,458	91,018	34,880	(942,839)	2,098,105	(4,530)	2,093,575
Total comprehensive loss for the financial year:											
- Net loss for the financial year		–	–	–	–	–	–	(341,204)	(341,204)	(5,466)	(346,670)
- Net currency translation differences arising from consolidation	25(b)(iv)	–	–	–	–	–	(128,649)	–	(128,649)	–	(128,649)
		–	–	–	–	–	(128,649)	(341,204)	(469,853)	(5,466)	(475,319)
Distribution on perpetual convertible securities, net of reversal	24	–	–	–	–	–	–	417,507	417,507	–	417,507
Balance as at 31 December 2022		4,028,372	878,970	(2,034,754)	42,458	91,018	(93,769)	(866,536)	2,045,759	(9,996)	2,035,763

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2022

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY									
	NOTE	SHARE CAPITAL RMB'000	PERPETUAL CONVERTIBLE SECURITIES RMB'000	REVERSE ACQUISITION RESERVE RMB'000	CONVERTIBLE BONDS RESERVE RMB'000	STATUTORY COMMON RESERVE RMB'000	CURRENCY TRANSLATION RESERVE RMB'000	ACCUMULATED LOSSES RMB'000	TOTAL RMB'000	NON-CONTROLLING INTERESTS RMB'000	TOTAL RMB'000
Group											
Balance as at 1 January 2021		4,028,372	878,970	(2,034,754)	42,458	91,018	(18,570)	(372,840)	2,614,654	4,635	2,619,289
Total comprehensive (loss)/income for the financial year:											
- Net loss for the financial year		–	–	–	–	–	–	(254,114)	(254,114)	(9,165)	(263,279)
- Net currency translation differences arising from consolidation	25(b)(iv)	–	–	–	–	–	53,450	–	53,450	–	53,450
		–	–	–	–	–	53,450	(254,114)	(200,664)	(9,165)	(209,829)
Distribution on perpetual convertible securities	24	–	–	–	–	–	–	(315,885)	(315,885)	–	(315,885)
Balance as at 31 December 2021		4,028,372	878,970	(2,034,754)	42,458	91,018	34,880	(942,839)	2,098,105	(4,530)	2,093,575

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2022

	NOTE	2022 RMB'000	2021 RMB'000 (RESTATED)
Operating activities			
Loss before income tax		(452,438)	(295,661)
Adjustments for:			
Fair value loss on investment properties	8	4,930	1,972
Fair value loss on financial asset, at FVPL	8	411,799	148,000
Interest expense	9	138,127	134,052
Depreciation of property, plant and equipment	5	4,650	3,472
Amortisation of deferred lease incentives	5	3,201	3,791
(Gain)/loss on disposal of property, plant and equipment		(37)	246
Provision on legal cases and penalties - net	8	23,306	28,400
Loss allowance on trade and other receivables	27(b)	21	1,073
Completed properties written down	8	40,000	–
Interest income	7	(6,761)	(10,920)
Reversal of other tax payable on waived distribution for perpetual convertible securities	8	(111,386)	–
Unrealised exchange differences		(43,443)	31,302
Operating cash flows before movements in working capital		11,969	45,727
Investment properties		–	814
Trade and other receivables		15,889	60
Development properties		859	18,833
Trade and other payables		(20,851)	8,538
Provisions		(7,898)	–
Cash (used in)/generated from operations		(32)	73,972
Interest received		6,761	12,526
Income tax paid		(83)	(210)
Net cash generated from operating activities		6,646	86,288
Investing activities			
Purchase of property, plant and equipment	17	(431)	(234)
Proceeds from disposal of property, plant and equipment		404	3
Net cash used in investing activities		(27)	(231)
Financing activities			
(Increase)/decrease in restricted cash		(45,420)	156,157
Proceeds from borrowings		180,467	79,716
Proceeds from bond notes		40,197	–
Interest paid		(134,604)	(130,551)
Repayment of borrowings		(292,528)	(223,419)
Net cash used in financing activities		(251,888)	(118,097)
Net decrease in cash and cash equivalents		(245,269)	(32,040)
Effect of exchange rate changes on cash and cash equivalents		2,686	(1,705)
Cash and cash equivalents at beginning of the financial year		354,405	388,150
Cash and cash equivalents at end of the financial year	12	111,822	354,405
Restricted bank balances	12	258,951	213,531
Cash and cash equivalents in the consolidated statement of financial position	12	370,773	567,936

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

				NON-CASH CHANGES			
	1 JANUARY 2022 RMB'000	PROCEEDS FROM BORROWINGS RMB'000	PRINCIPAL AND INTEREST PAYMENTS RMB'000	FOREIGN EXCHANGE MOVEMENT RMB'000	TRADE AND OTHER PAYABLES RMB'000	INTEREST EXPENSE RMB'000	31 DECEMBER 2022 RMB'000
Borrowings	2,489,266	220,664	(427,132)	58,561	(3,523)	138,127	2,475,963

				NON-CASH CHANGES			
(Restated)	1 JANUARY 2021 RMB'000	PROCEEDS FROM BORROWINGS RMB'000	PRINCIPAL AND INTEREST PAYMENTS RMB'000	FOREIGN EXCHANGE MOVEMENT RMB'000	TRADE AND OTHER PAYABLES RMB'000	INTEREST EXPENSE RMB'000	31 DECEMBER 2021 RMB'000
Borrowings	2,650,812	79,716	(353,970)	(17,843)	(3,501)	134,052	2,489,266

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

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. The registered office of the Company is located at 6 Temasek Boulevard, #21-01 Suntec Tower Four, Singapore 038986. Its principal place of business is located at 28 Minquan Road, #35-08 Ying Li International Financial Center, Yuzhong District, Chongqing 400010, the People's Republic of China (the "PRC").

The Company's immediate, intermediate and ultimate holding corporations are State Alpha Limited, China Everbright Limited ("CEL") and Central Huijin Investment Ltd. respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 18 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards International ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") as indicated.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

(a) *Sales of properties*

The Group develops and sells residential and commercial properties through fixed-price contracts.

Revenue from sales of properties is recognised at a point in time when or as the control of the property is transferred to the customer who obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities.

(b) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(c) *Interest income*

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using for purpose other than to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold buildings	20 to 30 years
Office equipment	3 to 5 years
Computers	3 to 5 years
Furniture and fittings	20 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of the subsidiaries include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.8 Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- FVPL

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

The subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other losses", except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of these receivables.

For other financial assets at amortised cost, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profit along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*; and

(b) the amount of expected loss computed using impairment methodology under SFRS(I) 9 *Financial Instruments*.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Leases

(i) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (continued)

(i) When the Group is the lessee: (continued)

- Right-of-use assets (continued)

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:
  - Fixed payment (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amount expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be re-measured when:
  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (continued)

(ii) When the Group is the lessor:

The Group leases investment properties under operating leases to non-related parties.

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

2.17 Development properties

Development properties consist of properties for development, properties under development and completed properties for sale.

(a) Properties for development

Properties for development are mainly vacant leasehold land for future development and sale. They are stated at lower of cost or net realisable value.

(b) Properties under development for sale

Properties under development for sale are stated at lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of property under development comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties for sale.

(c) Completed properties for sale

Completed properties for sale are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land cost, development costs and capitalised borrowing costs based on floor area of the unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or is estimated by management in the absence of comparable transactions after taking into consideration prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, an associated company and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(iii) Pension obligations

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group is required to provide certain staff pension benefits to their employees under existing the PRC regulations. Pension contributions are provided at rates stipulated by the PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees.

The Group has no further payment obligations once the contributions have been paid. Pension contributions are recognised as employee benefit expense in the period in which the related services are performed. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollar. The consolidated financial statements of the Group are presented in RMB and have been rounded to the nearest thousand ("RMB'000") as the Group entities operate mainly in the PRC and majority of the Group's transactions are denominated in RMB.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of changes in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.26 Perpetual securities

Perpetual securities, including perpetual bonds, do not have a maturity date and the Company can at its option redeem the perpetual securities and at its discretion defer distributions subject to terms and conditions of the securities or bonds. Perpetual securities are classified as equity when there is no contractual obligation to deliver cash or other financial assets (i.e. to make principal repayments in respect of its perpetual securities) to another person or entity or to exchange financial assets or liabilities with another person or entity that is potentially unfavourable to the issuer. Incremental costs directly attributable to the issue of perpetual securities are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received, net of any directly attributable transaction costs, are credited to perpetual securities. Distributions are treated as dividends which will be directly debited from equity.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of investment properties

The Group carries its investment properties at fair value based on the valuation performed by an independent professional valuer, with changes in fair values being recognised in profit or loss. In determining the fair value, the valuer used valuation methods which involve certain estimates. In relying on the valuation report, management has exercised its judgement and is satisfied that the valuation methods are reflective of current market conditions and the estimations used are appropriate.

The carrying amount of investment properties as at 31 December 2022 is RMB4,094,253,000 (2021: RMB4,102,384,000).

(b) Valuation of financial asset, at FVPL

As disclosed in Note 15 to the financial statements, the fair value of financial asset at FVPL is derived based on generally accepted valuation techniques. The valuation techniques involve the use of market inputs, discounted cash flow analysis and other unobservable inputs used by market participants. Because of the inherent valuation uncertainty, the estimated fair value may differ significantly from the value that would be used if a ready market for the financial asset existed, and those differences could be material. The fair value measurement is categorised as level 3 within the fair value hierarchy.

The carrying amount of the financial asset, at FVPL as at 31 December 2022 is RMB210,000,000 (2021: RMB621,799,000).

(c) Estimation of net realisable value for development properties

Development properties are stated at the lower of cost and net realisable value.

The Group assesses at each reporting date the net realisable value of development properties based on the requirement of SFRS(I) 1-2 *Inventories*. Management's assessment of the net realisable value of the properties is a judgemental process, which takes into account of the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale. The Group also engages the independent professional valuer to estimate the net realisable value for certain properties which have higher risk of write-down. In determining the net realised value, the valuer has based on a valuation method which involves certain estimates. In relying on the valuation report, management has exercised its judgement and is satisfied that the valuation method is reflective of current market conditions and the estimations used are appropriate.

The carrying amount of the development properties as at 31 December 2022 is RMB964,622,000 (2021: RMB1,036,947,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(d) Assessment of expected credit loss ("ECL") of trade and other receivables

The Group's trade receivables mainly comprise of lease receivables from tenants of investment properties and receivables from the customers who bought its residential and commercial properties. Generally, the Group aims for full payment from its customers or notifications from financial institution on approval of loan applications submitted by the customers. In addition, the Group collects rental deposits from its tenants to mitigate its credit risks over lease receivables.

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The loss rates are initially derived based on management's historical observed default rates. Management will calibrate and adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 27(b).

The gross amounts of trade receivables and loss allowance as at 31 December 2022 are RMB51,876,000 and RMB1,568,000 (2021: RMB41,237,000 and RMB2,474,000) respectively.

For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for other receivables at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The gross amounts of other receivables and loss allowance as at 31 December 2022 are RMB658,068,000 and RMB350,192,000 (2021: RMB651,122,000 and RMB350,222,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(e) Provision on litigation cases and penalties

As disclosed in Note 21 to the financial statements, the Group makes provisions on litigation cases and penalties. Provisions in respect of litigation cases are subject to many uncertainties and the outcome of individual matters cannot be predicted with assurance. Significant judgement is required in assessing probability and making estimates in respect of these contingencies, and the Group's final liabilities may ultimately be materially different. The Group's estimated liabilities in respect of litigation and regulatory proceedings are determined on a case-by-case basis and represent an estimate of probable losses after considering, among other factors, the progress of each case and the opinions and views of legal counsel. As at 31 December 2022, for some litigation cases, the proceedings are still on-going. The outcome of the proceedings remains uncertain.

The amount of provisions recognised as at 31 December 2022 is RMB421,907,000 (2021: RMB406,499,000).

(f) Deferred income tax

The Group recognises income tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred income tax recognised and the extent to which amounts should or can be recognised.

A deferred income tax asset is recognised for provisions, tax losses and capital allowances carried forward if it is probable that the entities within the Group will generate sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations in the respective jurisdictions in which the respective entity within the Group operates in.

If the tax authority regards the entities within the Group is not satisfying and/or meeting certain statutory requirements in their respective countries of incorporation, the unrecognised tax losses will be forfeited.

The carrying value of deferred tax liabilities as at 31 December 2022 is RMB365,181,000 (2021: RMB471,027,000).

(g) Classification of unquoted investment in limited partnership

An investment is accounted for using the equity method in the consolidated financial statements where the Group has significant influence over the investee. Significant influence arises where the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an investor holds directly or indirectly 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Significant judgement is applied by management in assessing whether significant influence exists. This involves assessment of the purpose and design of the entity, identification of the activities which significant affect the entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Although the Group holds more than 20% of the interest in a limited partnership entity, management concluded that the Group neither have control nor significant influence over the investee in accordance with the investment and partnership agreement. Accordingly, the Group has classified the investment as financial asset, FVPL as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(h) *Going concern*

During the financial year ended 31 December 2022, the Group recorded a net loss of RMB346,670,000 (2021: RMB263,279,000). As at 31 December 2022, the Group is in net current assets position of RMB232,038,000 (2021: net current liabilities position of RMB155,091,000).

As at the date of these financial statements, the PRC government has ended the cross-border measures it imposed in response to the COVID-19 pandemic. However, there are still uncertainties arising from adverse effects of the COVID-19 on the PRC's economy and its impact on the market segments which the Group operates in.

Notwithstanding the above, the Directors have considered the operations of the Group and its ability to operate as a going concern and are of the view that the Group will be able to improve its financial performance and meet its obligations as and when they fall due within the next twelve months because of the following:

- The Group's significant operations are in the PRC in which the economy has progressively recovered and while there are more stringent property measures that have short term impact to the Group's business activities, the Group is supportive of the government's initiatives as it will promote a healthy and sustainable property market in the long run;
- The Directors had carried out a review of the cash flows projections of the Group for the next financial year ending 31 December 2023 and are of the view that there is adequate liquidity to finance the working capital requirements of the Group; and
- The Group will be proactively reshuffling or disposing low yielding properties to reduce gearing and improve liquidity position.

Accordingly, management does not foresee there is a material uncertainty over the ability of the Group to operate as a going concern.

4 REVENUE

	GROUP	
	2022 RMB'000	2021 RMB'000
Revenue from contracts with customers – the PRC:		
- Sales of completed properties – at a point in time	891	28,381
- Sales of investment properties – at a point in time	–	5,268
	891	33,649
Property rental income – the PRC (Note 16)	165,234	195,167
	166,125	228,816

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

4 REVENUE (CONTINUED)

(a) Contract liabilities

	GROUP	
	2022 RMB'000	2021 RMB'000
Point in time:		
Contract liabilities - sales of completed properties (Note 20)	25,284	29,654

Contract liabilities are in relation to the advance consideration received from customers. The contract liabilities are recognised as revenue when the Group fulfils its performance obligations under contract, which is when control of properties transfers to the customer.

Revenue recognised in relation to contract liabilities

	GROUP	
	2022 RMB'000	2021 RMB'000
Revenue recognised in the financial year that was included in the contract liabilities balance at the beginning of the financial year:		
- Sales of completed properties held for sale – at a point in time	386	20,975

(b) Assets recognised from costs to fulfil contracts

The Group has no other current assets in relation to costs to fulfil contracts with customers. Costs are charged to profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue.

5 EXPENSES BY NATURE

	GROUP	
	2022 RMB'000	2021 RMB'000
Amortisation of deferred lease incentives	3,201	3,791
Cost of completed properties held for sale	859	20,332
Consultancy and service fees	20,448	17,218
Depreciation of property, plant and equipment (Note 17)	4,650	3,472
Employee compensation (Note 6)	33,728	44,070
Marketing expenses	6,078	9,456
Property management and maintenance cost	24,817	25,427
Property tax	17,244	17,219

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

6 EMPLOYEE COMPENSATION

	GROUP	
	2022 RMB'000	2021 RMB'000
Wages and salaries	23,709	36,144
Employer's contribution to defined contribution plans	7,018	5,754
Other short-term benefits	3,001	2,172
	33,728	44,070

7 OTHER INCOME

	GROUP	
	2022 RMB'000	2021 RMB'000
Bank interest income	6,761	10,920
Sundry income	5,299	4,282
	12,060	15,202

8 OTHER LOSSES – NET

	GROUP	
	2022 RMB'000	2021 RMB'000
Fair value loss on investment properties (Note 16)	(4,930)	(1,972)
Fair value loss on financial asset, at FVPL (Note 15)	(411,799)	(148,000)
Provision on legal cases and penalties - net (Note 21)	(23,306)	(28,400)
Expenses incurred for early termination of tenancy agreement	(10,000)	–
Completed properties written down	(40,000)	–
Foreign exchange gain/(loss) - net	44,252	(32,772)
Reversal of other tax payable on waived distribution for perpetual convertible securities	111,386	–
Others	1,239	(6,747)
	(333,158)	(217,891)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

9 FINANCE EXPENSES

	GROUP	
	2022	**2021**
	RMB'000	**RMB'000**
Interest expenses:		
- bank borrowings	122,858	126,580
- bond notes	7,092	4,925
- Loan from a related party	8,177	2,547
	138,127	134,052

10 INCOME TAX CREDIT

	GROUP	
	2022	**2021**
	RMB'000	**RMB'000**
Tax credit attributable to profit or loss is made up of:		
For the current financial year:		
- Current income tax	78	12
- Deferred income tax (Note 22)	(105,846)	(32,558)
Under provision in prior financial year		
- Current income tax	–	164
	(105,768)	(32,382)

No provision for taxation in Singapore has been made as the Group's taxable income neither arises in, nor is derived from, Singapore.

In 2022 and 2021, the Group's taxation arising mainly from operations in the PRC which is calculated at the prevailing rate of 25%.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

10 INCOME TAX CREDIT (CONTINUED)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	GROUP	
	2022 RMB'000	2021 RMB'000
Loss before income tax	(452,438)	(295,661)
Tax calculated at tax rate of 25%* (2021: 25%*)	(113,110)	(73,915)
Effects of:		
- Different tax rates in other countries	(4,120)	10,844
- Deferred income tax not recognised and forfeited	34,220	21,457
- Expenses not deductible for tax purposes	6,122	9,068
- Income not subject to tax	(28,880)	–
- Under provision in prior financial year	–	164
Tax credit	(105,768)	(32,382)

* This is the applicable tax rate for most of the Group's taxable profit.

11 LOSS PER SHARE

(a) *Basic loss per share*

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

	GROUP	
	2022	2021
Net loss attributable to equity holders of the Company (RMB'000)	(341,204)	(254,114)
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)	(0.133)	(0.099)

(b) *Diluted loss per share*

For the purpose of calculating diluted loss per share, net loss attributable to equity holders 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 of conversion of shares from perpetual convertible securities is anti-dilutive, the diluted loss per share is the same as the basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

12 CASH AND CASH EQUIVALENTS

	GROUP	
	2022 RMB'000	2021 RMB'000
Cash and cash equivalents	370,773	567,936
Less: Restricted bank balances	(258,951)	(213,531)
Cash and cash equivalents per consolidated statement of cash flows	111,822	354,405

Restricted bank balances of RMB40,731,000 (2021: RMB40,216,000) pledged to banks are in relation to interest reserve account on borrowings and sales of mortgaged properties to customers.

Restricted bank balances of RMB218,220,000 (2021: RMB173,315,000) relates to the bond notes issued by the Group.

	COMPANY	
	2022 RMB'000	2021 RMB'000
Cash at bank	2,677	22,472

13 TRADE AND OTHER RECEIVABLES

	GROUP	
	2022 RMB'000	2021 RMB'000
Trade receivables - Non-related parties	51,876	41,237
Less: loss allowance (Note 27(b))	(1,568)	(2,474)
Trade receivables – net	50,308	38,763
Other receivables - Non-related parties	65,452	58,544
Consideration receivables from disposal of subsidiaries and a land parcel	575,350	575,350
Refundable deposits	17,266	17,228
	658,068	651,122
Less: loss allowance (Note 27(b))	(350,192)	(350,222)
Total other receivables – net	307,876	300,900
Financial assets at amortised cost	358,184	339,663
Advances to sub-contractors and vendors	4,103	4,116
Prepayments	55,918	65,530
Prepaid tax	22,726	47,532
Total trade and other receivables	440,931	456,841

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

	COMPANY	
	2022	2021
	RMB'000	RMB'000
Other receivables:		
- Non-related parties	40	36
- Subsidiaries	2,986,898	2,979,448
Refundable deposits	266	227
	2,987,204	2,979,711
Less: loss allowance	(302,056)	(302,056)
Financial assets at amortised cost	2,685,148	2,677,655
Prepayments	278	301
Total trade and other receivables	2,685,426	2,677,956

Other receivables from subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

14 DEVELOPMENT PROPERTIES

	GROUP	
	2022	2021
	RMB'000	RMB'000
Completed properties for sale	842,210	914,535
Properties for development	122,412	122,412
	964,622	1,036,947

Properties for development and completed properties for sale are located in the PRC. Properties for development mainly comprise land costs and related taxes.

During the financial year, certain completed properties for sales with aggregate carrying amounts of RMB3,507,000 (2021: Nil) used as the Group's office spaces are transferred to property, plant and equipment (Note 17).

Certain bank borrowings are secured by completed properties held for sale of the Group with carrying amount of RMB342,518,000 (2021: RMB357,981,000) (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

15 FINANCIAL ASSET, AT FVPL

	GROUP	
	2022	2021
	RMB'000	RMB'000
Unquoted investment in limited partnership, FVPL		
Beginning of financial year	621,799	769,799
Fair value loss (Note 8)	(411,799)	(148,000)
End of financial year	210,000	621,799

Unquoted investment in limited partnership relates to a subsidiary's investment with initial cost of RMB559 million to subscribe for 26% of the subordinated shares in Shanghai Zhaoli Investment Centre (LLP) (the "Investee") where it invested directly in Shanghai Sheng Ke Investment Centre (LLP). The objective of the investment is to jointly participate in the Beijing Tongzhou Project as Shanghai Sheng Ke Investment Centre (LLP) owns the project companies holding the Beijing Tongzhou Project (the "Project").

Although the Group holds 26% equity interest in the Investee, management has assessed that the Group neither has control nor significant influence over the investee as it does not have the power to participate in the financial and operating policy decisions of the Investee.

The unquoted investment in limited partnership is carried at fair value at the end of the financial year, based on valuation performed by KPMG Advisory (Hong Kong) Limited (the "KPMG"), an international independent firm of professional valuers who have the requisite qualification and experience in the financial asset being valued.

The valuation of the unquoted investment in limited partnership is primarily based on the fair value of the Project, which is measured using the direct comparison method, income method and residual method, depending on the stage of development of the individual project phases. The underlying assets held by the project companies are carried at fair value at the end of the financial year, based on valuation performed by Cushman & Wakefield Beijing Branch, an international independent firm of professional valuers who have the requisite qualification and experience in the assets being valued.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties. The income method derives the value of the property by prediction of the future income generated from the property, and then use an appropriate rate of return or capitalisation rate to discount its future income into value of the property. The residual method derives the value of the property under development after deducting the total gross development costs and developer's profit from the gross development value.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

16 INVESTMENT PROPERTIES

	GROUP	
	2022	2021
	RMB'000	RMB'000
Leasehold properties:		
Beginning of financial year	4,099,183	4,122,220
Sales of investment properties	–	(1,499)
Fair value loss (Note 8)	(4,930)	(1,972)
Transfer to property, plant and equipment (Note 17)	–	(19,566)
End of financial year	4,094,253	4,099,183
Deferred lease incentives	–	3,201
Total investment properties	4,094,253	4,102,384

Certain bank borrowings are secured by investment properties of the Group with carrying amount of RMB3,896,397,000 (2021: RMB3,890,771,000) (Note 19).

During the financial year ended 31 December 2021, the Group transferred investment properties with carrying amount of RMB19,566,000 to property, plant and equipment as these properties were used as the Group's office spaces (Note 17).

The following amounts are recognised in profit or loss:

	GROUP	
	2022	2021
	RMB'000	RMB'000
Rental income (Note 4)	165,234	195,167
Direct operating expenses arising from:		
- Investment properties that generate rental income	(46,629)	(48,741)
- Investment properties that do not generate rental income	(2,086)	(2,625)

At the end of the financial year, the details of the Group's investment properties are as follows:

PROJECT	LOCATION	DESCRIPTION	TENURE
Minsheng Mansion	No.181 Minsheng Road, Yuzhong District, Chongqing, PRC.	Retail, office and car parks	40-year land use rights for commercial use, expiring in September 2033.
Zou Rong Plaza	No.141 to 155 Zourong Road, Yuzhong District, Chongqing, PRC.	Retail, office and car parks	50-year land use rights for commercial use, expiring in January 2046.
Southland Garden	No.46 to 52 Cangbai Road, Yuzhong District, Chongqing, PRC.	Retail and car parks	40-year land use rights for commercial use, expiring in November 2042.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

16 INVESTMENT PROPERTIES (CONTINUED)

At the end of the financial year, the details of the Group's investment properties are as follows:

PROJECT	LOCATION	DESCRIPTION	TENURE
New York New York	No.108 Bayi Road, Yuzhong District, Chongqing, PRC.	Car parks	40-year land use rights for commercial use, expiring in January 2042.
Future International	No.6 Guanyinqiao, Pedestrian Street, Jiangbei District, Chongqing, PRC.	Retail and car parks	40-year land use rights for commercial use, expiring in March 2045.
Bashu Cambridge	No.8 Bashu Road, Yuzhong District, Chongqing, PRC.	Retail and car parks	40-year land use rights for commercial use, expiring in September 2044.
Ying Li International Financial Centre	No. 26 & 28 Minquan Road, Yuzhong District, Chongqing, PRC.	Retail, office and car parks	40-year land use rights for commercial use, expiring in December 2044.
Ying Li International Plaza	No.19 Daping Zheng Jie Road, Yuzhong District, Chongqing, PRC.	Retail and car parks	40-year land use rights for commercial use, expiring in July 2050.

Fair value hierarchy - Recurring fair value measurement

	FAIR VALUE MEASUREMENT USING		
DESCRIPTION	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1) RMB'000	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2) RMB'000	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000
As at 31 December 2022			
- Retail, office and car parks - the PRC	–	–	4,094,253
As at 31 December 2021			
- Retail, office and car parks - the PRC	–	–	4,099,183

Valuation techniques and inputs used to derive Level 3 fair values

Level 3 fair values of the Group's properties have been derived using the direct comparison approach and income method 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. In estimating the fair value of the properties, the highest and best use of the properties is their current basis. There has been no change to the valuation technique during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation process of the Group

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 properties' highest and best use. As at 31 December 2022 and 2021, the fair values of the properties have been determined by Colliers International (Hong Kong) Limited, an international independent firm of professional valuers who have the requisite qualification and experience in the financial asset being valued.

At each financial year end, management:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2022 and 2021.

DESCRIPTION	FAIR VALUE RMB'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT [1]	RANGE
31 December 2022				
Investment properties	4,094,253	Direct comparison approach	price per square meter[2]	RMB5,870 - RMB24,100
		Income method	discount rate[3]	6.0% - 6.7%
			occupancy rate[2]	51% - 100%
			rental growth[2]	3% - 8%
31 December 2021				
Investment properties	4,099,183	Direct comparison approach	price per square meter [2]	RMB5,900 - RMB24,100
		Income method	discount rate[3]	6.0% - 6.7%
			occupancy rate[2]	64% - 100%
			rental growth[2]	3% - 8%

(1) There were no significant inter-relationships between unobservable inputs.
(2) Any significant isolated increases/(decreases) in these inputs would result in a significantly higher/(lower) fair value measurement.
(3) Any significant isolated increases/(decreases) in these inputs would result in a significantly lower/(higher) fair value measurement.

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for the financial year ended 31 December 2022

17 PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD BUILDINGS RMB'000	OFFICE EQUIPMENT, COMPUTERS, FURNITURE AND FITTINGS RMB'000	MOTOR VEHICLES RMB'000	TOTAL RMB'000
Group				
2022				
Cost				
Beginning of financial year	68,091	19,526	2,676	90,293
Additions	–	431	–	431
Transfer from development properties (Note 14)	3,507	–	–	3,507
Disposal	–	(82)	(1,673)	(1,755)
Currency translation differences	–	7	–	7
End of financial year	71,598	19,882	1,003	92,483
Accumulated depreciation				
Beginning of financial year	18,536	17,759	2,174	38,469
Depreciation (Note 5)	4,221	391	38	4,650
Disposal	–	(79)	(1,309)	(1,388)
Currency translation differences	–	7	–	7
End of financial year	22,757	18,078	903	41,738
Net book value				
Beginning of financial year	49,555	1,767	502	51,824
End of financial year	48,841	1,804	100	50,745
2021				
Cost				
Beginning of financial year	48,733	20,508	2,753	71,994
Additions	–	234	–	234
Transfer from investment properties (Note 16)	19,566	–	–	19,566
Disposal	(208)	(1,213)	(77)	(1,498)
Currency translation differences	–	(3)	–	(3)
End of financial year	68,091	19,526	2,676	90,293
Accumulated depreciation				
Beginning of financial year	15,568	18,526	2,155	36,249
Depreciation (Note 5)	3,058	338	76	3,472
Disposal	(90)	(1,102)	(57)	(1,249)
Currency translation differences	–	(3)	–	(3)
End of financial year	18,536	17,759	2,174	38,469
Net book value				
Beginning of financial year	33,165	1,982	598	35,745
End of financial year	49,555	1,767	502	51,824

Certain bank borrowings are secured by leasehold buildings of the Group with carrying amounts of RMB20,234,000 (2021: RMB18,832,000) (Note 19).

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for the financial year ended 31 December 2022

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	COMPUTERS	
	2022 RMB'000	2021 RMB'000
Company		
Cost		
Beginning of financial year	79	83
Additions	24	–
Currency translation differences	7	(4)
End of financial year	110	79
Accumulated depreciation		
Beginning of financial year	76	70
Depreciation	10	9
Currency translation differences	7	(3)
End of financial year	93	76
Net book value		
Beginning of financial year	3	13
End of financial year	17	3

18 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2022 RMB'000	2021 RMB'000
Unquoted equity shares, at cost:		
Beginning of financial year	2,966,325	2,966,325
Write-off [1]	(68)	–
End of financial year	2,966,257	2,966,325
Quasi-equity loan to a subsidiary [2]	150,217	–
	3,116,474	2,966,325

(1) The Company's subsidiary, Oxleyville Investments Limited, had been dissolved on 19 December 2022.

(2) The quasi-equity loan to a wholly-owned subsidiary is unsecured, interest-free with no fixed term of repayment and is therefore quasi-equity in nature. The settlement of the loan is not planned, and the repayment of the loan is solely at the discretion of the borrower. Accordingly, the loan, in substance, forms part of the Company's net investment in the subsidiary and is stated at cost.

Management assesses for impairment whenever there is any objective evidence or indication that investments in subsidiaries may be impaired. As at 31 December 2022 and 2021, management has assessed that there is no indication that the Company's investments in subsidiaries would be impaired.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2022 and 2021:

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	PROPORTION OF ORDINARY SHARES DIRECTLY HELD BY PARENT		PROPORTION OF ORDINARY SHARES HELD BY THE GROUP		PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Held by the Company								
Luckzone International Limited[a]	Investment holding	British Virgin Islands ("BVI")	100	100	100	100	–	–
Peak Century Holdings Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Top Accurate Holdings Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Verdant View Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Vast Speed Holdings Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Brandway Investments Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Ever Perfect Enterprise Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Oxleyville Investments Limited[a]	Investment holding	BVI	-	100	-	100	–	–
Shining Valour Investments Limited[a]	Investment holding	BVI	100	100	100	100	–	–
Fortune Court Holdings Limited[a]	Investment holding	Hong Kong	100	100	100	100	–	–
First Regent International Limited[a]	Investment holding	Hong Kong	100	100	100	100	–	–
Chongqing Yingli Real Estate Development Co., Ltd.(b) ("CQYL")	Property development	The PRC	51	51	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2022 and 2021: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	PROPORTION OF ORDINARY SHARES DIRECTLY HELD BY PARENT		PROPORTION OF ORDINARY SHARES HELD BY THE GROUP		PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Held by Ever Perfect Enterprise Limited								
Fully Rich Industrial Limited[a]	Trading	Hong Kong	100	100	100	100	–	–
Held by Luckzone International Limited								
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd.[b]	Property development	The PRC	100	100	100	100	–	–
Held by Fortune Court Holdings Limited								
CQYL[b]	Property development	The PRC	46.05	46.05	100	100	–	–
Held by CQYL								
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd.[b] ("SYW")	Property development	The PRC	80	80	80	80	20	20
Chongqing Yingli Guangsheng Hardware and Electrical Market Development Co., Ltd.[b] ("GS")	Property development, property management	The PRC	100	100	100	100	–	–
Held by GS								
Chongqing Lu Zu Temple Real Estate Co., Ltd.[b]	Property development	The PRC	100	100	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2022 and 2021: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	PROPORTION OF ORDINARY SHARES DIRECTLY HELD BY PARENT		PROPORTION OF ORDINARY SHARES HELD BY THE GROUP		PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Held by Peak Century Holdings Limited								
Yingli International Commercial Properties Management Co., Ltd.[b]	Property consultancy, sale, marketing and management	The PRC	100	100	100	100	–	–
Chongqing Lion Equity Investment Partnership[b]	Investment holding	The PRC	1	1	100	100	–	–
Held by Yingli International Commercial Properties Management Co., Ltd.								
Chongqing Yingli Retail Management Co., Ltd.[b]	Property consultancy, sale, marketing and management	The PRC	52.38	52.38	100	100	–	–
Chongqing Yingli Zhuoyue Retail Management Co., Ltd.[b]	Property consultancy, sale, marketing and management	The PRC	100	100	100	100	–	–
Chongqing Rong Guang Commercial Management Co., Ltd.[b]	Mall and property management and corporate management consultancy	The PRC	–	100	100	100	–	–
CQYL[b]	Property development	The PRC	2.95	2.95	100	100	–	–
Held by Verdant View Limited								
Chongqing Lion Equity Investment Partnership[b]	Investment holding	The PRC	99	99	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2022 and 2021: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	PROPORTION OF ORDINARY SHARES DIRECTLY HELD BY PARENT		PROPORTION OF ORDINARY SHARES HELD BY THE GROUP		PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS	
			2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Held by Chongqing Lion Equity Investment Partnership								
Chongqing Yingli Retail Management Co., Ltd.[b]	Property consultancy, sale, marketing and management	The PRC	47.62	47.62	100	100	–	–
Held by First Regent International Limited								
Perfect Summit Limited[a]	Investment holding	Hong Kong	100	100	100	100	–	–
Held by Brandway Investments Limited								
Chongqing Kai Yi Yu Commercial Management Co., Ltd.[b]	Corporate management consultancy	The PRC	100	100	100	100	–	–
Held by Chongqing Rong Guang Commercial Management Co., Ltd.								
Zhuhai Rong Guang Commercial Management Co., Ltd.[b]	Mall and property management and corporate management consultancy	The PRC	–	100	100	100	–	–
Held by Chongqing Yingli Qipaifang Real Estate Development Co., Ltd.								
Chongqing Guang Rui Carpark Service Co., Ltd.[b]	Carpark, commercial property management and leasing services	The PRC	100	100	100	100	–	–

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for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2022 and 2021: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	PROPORTION OF ORDINARY SHARES DIRECTLY HELD BY PARENT		PROPORTION OF ORDINARY SHARES HELD BY THE GROUP		PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Held by Chongqing Kai Yi Yu Commercial Management Co., Ltd.								
Zhuhai Rong Guang Commercial Management Co., Ltd.[b]	Mall and property management and corporate management consultancy	The PRC	100	–	100	100	–	–
Chongqing Rong Guang Commercial Management Co., Ltd.[b]	Mall and property management and corporate management consultancy	The PRC	100	–	100	100	–	–

(a) Audited by CLA Global TS Public Accounting Corporation for consolidation purpose.

(b) Audited by Shanghai CLA Global TS Certified Public Accountants for consolidation purpose.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

Carrying value of non-controlling interests

	GROUP	
	2022	2021
	RMB'000	RMB'000
SYW	(9,996)	(4,530)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Set out below are the summarised financial information for the subsidiary with non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position of SYW

	2022 RMB'000	2021 RMB'000
Current assets	267,466	294,033
Non-current assets	1,348	26
Total assets	268,814	294,059
Current liabilities	318,796	316,710
Total liabilities	318,796	316,710
Net liabilities	(49,982)	(22,651)

Summarised statement of comprehensive income of SYW

	2022 RMB'000	2021 RMB'000
Revenue	543	–
Total comprehensive loss, representing net loss	(27,331)	(45,828)
Total comprehensive loss allocated to non-controlling interests	(5,466)	(9,165)

Summarised statement of cash flows of SYW

	2022 RMB'000	2021 RMB'000
Net cash generated from/(used in) operating activities	242	(161)
Net cash used in financing activities	(1)	(1)

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19 BORROWINGS

	GROUP 2022 RMB'000	GROUP 2021 RMB'000
Current		
Financial instruments with floating interest rates:		
Bank borrowings (secured)	114,500	194,560
Financial instruments with fixed interest rates:		
Bond notes (unsecured)	215,912	159,401
Loan from a related party (unsecured)	183,551	78,991
	513,963	432,952
Non-current		
Financial instruments with floating interest rates:		
Bank borrowings (secured)	1,962,000	2,056,314
Total	2,475,963	2,489,266

	COMPANY 2022 RMB'000	COMPANY 2021 RMB'000
Current		
Financial instruments with fixed interest rates:		
Bond notes (unsecured)	215,912	159,401
Bond notes – a subsidiary (unsecured)	174,122	159,401
Loan from a related party (unsecured)	183,551	78,991
Total	573,585	397,793

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the end of the financial year are as follows:

	GROUP 2022 RMB'000	GROUP 2021 RMB'000
6 months or less	2,076,500	2,250,874

The weighted effective interest rates are as follows:

	GROUP 2022 %	GROUP 2021 %	COMPANY 2022 %	COMPANY 2021 %
Bank borrowings	5.68	5.39	–	–
Bond notes	4.00	3.00	4.00	3.00
Loan from a related party	8.00	8.00	8.00	8.00

The fair value of the borrowings is a reasonable approximation of the carrying amount due to their short-term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

19 BORROWINGS (CONTINUED)

At the end of the financial year, the Group's bank borrowings are secured by:

(a) mortgage over certain investment properties with carrying value of RMB3,896,397,000 (2021: RMB3,890,771,000) (Note 16);
(b) mortgage over certain development properties with carrying value of RMB342,518,000 (2021: RMB357,981,000) (Note 14);
(c) mortgage over certain property, plant and equipment with carrying value of RMB20,234,000 (2021: RMB18,832,000) (Note 17); and
(d) intra-group corporate guarantees from certain Group entities.

Security granted

As at 31 December 2022, the Company has provided guarantees to banks in respect of banking facilities granted to Group entities amounting to RMB1,097,753,000 (2021: RMB1,077,066,000). The current interest rate charged by the lenders on the loans to the subsidiaries is at market rate and is consistent with the borrowing cost of the subsidiaries without corporate guarantees. The Company has assessed that the fair value of corporate guarantees is immaterial. At the end of the financial year, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

20 TRADE AND OTHER PAYABLES

	GROUP	
	2022 RMB'000	2021 RMB'000
Trade payables - non-related parties	112,215	139,753
Other payables:		
- Non-related parties	110,764	106,969
- Related party	224,092	628,351
	447,071	875,073
Accruals for operating expenses	106,973	105,498
Deposits received	40,559	43,285
Other tax payables	16,660	126,402
Financial liabilities, at amortised cost	611,263	1,150,258
Less: non-current liability		
- Other payable – Related party	(224,092)	–
	387,171	1,150,258
Advances received from lessees	16,316	17,721
Contract liabilities (Note 4(a))	25,284	29,654
Total trade and other payables	428,771	1,197,633

The Group's other payable to a related party is pertaining to the unpaid distribution on perpetual convertible securities ("PCS") (Note 24). Based on the terms of the PCS, the Group may elect to defer the payment of the distribution on any distribution payment date by giving written notice to the holder of the PCS and the Group is not subject to any limits as to the number of times which it may defer the payment of the distributions. As at 31 December 2022, the Group has no intention to pay the distribution within the next 12 months and accordingly, the other payable – related party had been reclassified from current liability as at 31 December 2021 to non-current liability as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

20 TRADE AND OTHER PAYABLES (CONTINUED)

	COMPANY	
	2022 RMB'000	2021 RMB'000
Other payables:		
- Subsidiaries	1,382,590	1,440,924
- Related party	224,092	628,351
	1,606,682	2,069,275
Accruals for operating expenses	45,797	33,690
Other tax payables	7,332	118,466
Total trade and other payables	1,659,811	2,221,431
Less: non-current liability		
Other payable – Related party	(224,092)	–
	1,435,719	2,221,431

The Company's other payables to subsidiaries are non-trade, unsecured, interest free and repayable on demand.

The Company's other payable to a related party is pertaining to the unpaid distribution on perpetual convertible securities (Note 24). Based on the terms of the PCS, the Company may elect to defer the payment of the distribution on any distribution payment date by giving written notice to the holder of the PCS and the Company is not subject to any limits as to the number of times which it may defer the payment of the distributions. As at 31 December 2022, the Company has no intention to pay the distribution within the next 12 months and accordingly, the other payable – related party had been reclassified from current liability as at 31 December 2021 to non-current liability as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

21 PROVISIONS

	GROUP	
	2022 RMB'000	2021 RMB'000
Current		
Provision on litigation case	337,777	337,777
Provision on penalties	84,130	68,722
	421,907	406,499

	GROUP	
	2022 RMB'000	2021 RMB'000
Movement:		
Beginning of financial year	406,499	378,099
Amount recognised in profit or loss (Note 8):		
- Provision made	41,818	28,400
- Reversal of provision	(18,512)	–
	23,306	28,400
Provision utilised	(7,898)	–
End of financial year	421,907	406,499

Provision on litigation case

In May 2017, CQYL entered into certain agreements (the "Agreements") with various non-related parties (the "Non-Related Parties"), in relation to, inter alia, the acquisition of shares in a company located in the PRC. Under the Agreements, the total amount payable by CQYL was approximately RMB372,000,000.

In 2017 and 2018, certain Non-Related Parties commenced legal proceedings against CQYL in respect of disputes arising out of the Agreements (the "Disputes"). The total remaining quantum of the claims under the disputes, amounted to approximately RMB337,777,000.

As at 31 December 2021, CQYL entered into settlement agreements with the Non-Related Parties, where the Non-Related Parties had agreed to repay CQYL RMB49,970,000, based on an agreed repayment schedule. As no security was provided by the Non-Related Parties in respect of the agreed repayments, the Group will only reverse the provisions upon receiving the cash repayment.

During the financial year ended 31 December 2022, CQYL had received repayment of a total amount of RMB3,000,000 (2021: RMB1,000,000) from the Non-Related Parties, and the amount had been recognised in profit or loss. On 2 November 2022, CQYL has reached the revised settlement agreement with the non-related parties, of which the agreed repayment schedule has been revised and extended with the final instalment to be received in September 2023.

However, the Disputes have not been concluded as the revised settlement agreement was only in respect of certain elements of the Disputes. Taking into account the information available to management and the advice obtained from the Company's Chinese legal counsel in respect of the potential outcome of the Disputes, it is uncertain at this stage whether CQYL would be discharged from any of the remaining liabilities arising from the Disputes. Accordingly, no further adjustment was made by management on provisions in respect of such remaining liabilities in the financial statements for the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

21 PROVISIONS (CONTINUED)

Provision on penalties

Provisions were provided for potential penalties charged by local authorities for certain non-compliance matters in relation with the projects developed.

The Group recognised additional provision for potential penalties payable to local authorities amounting to RMB41,818,000 (2021: RMB28,400,000) during the financial year ended 31 December 2022 in relation to the development project of the Group as the subsidiary did not complete the development within the stipulated period.

In addition, reversal of provision amounting to RMB18,512,000 and utilisation of provision amounting to RMB7,898,000 were related to the penalty settlement with the local authorities for a development project of the Group during the financial year ended 31 December 2022.

Legal proceedings

As announced by the Company on 3 February 2021 (the "Announcement"), legal proceedings had been commenced against CEL, together with the Company and various of its subsidiaries in Chongqing, the PRC by Mr. Fang Ming, the former Group Chief Executive Officer and a former controlling shareholder of the Company ("Plaintiff"). The Plaintiff is claiming an amount of up to RMB1.172 billion from CEL, the controlling shareholder of the Company, in connection with the sale of the Plaintiff's shares in the Company to the indirect subsidiaries of CEL. The Plaintiff had also applied for the Company and various of its subsidiaries to be jointly liable.

As highlighted in the Announcement, based on current information available and the legal advice from the Company's Chinese legal counsel, the Company is of the view that the legal proceedings instituted by the Plaintiff will not have any material impact on the financial position and performance of the Group. In addition, management is of the opinion that the legal proceedings will not significantly affect the daily operations of the Group. Further details on this ongoing litigation proceedings were set out in the Announcement, which was uploaded on the Company's website as well as SGXNET.

Arbitration proceedings

As announced by the Company on 21 February 2023, the Company and its subsidiary, CQYL commenced an arbitration with the China Chongqing Arbitration Commission in January 2023 against, among others, Shengyu (BVI) Limited ("Shengyu") and Hengda Real Estate Group (Chongqing) Company Limited (恒大地产集团重庆有限公司) ("Hengda Chongqing") in respect of Hengda Chongqing's failure to make payment for its purchase of the entire issued and paid-up share capital in the Company's wholly-owned subsidiary Shiny Profit Enterprises Limited and a separate parcel of land pursuant to a conditional sale and purchase agreement entered into between the Company and Shengyu. Further details on this ongoing arbitration proceedings were set out in the Announcement, which was uploaded on the Company's website as well as SGXNET.

As at 31 December 2022, the net outstanding receivables from Hengda Chongqing included in non-trade receivables from non-related parties amounting to RMB262,710,000 (2021: RMB262,710,000) (Note 13), calculated based on the gross outstanding balance of RMB575,350,000 (2021: RMB575,350,000) net of loss allowance of RMB312,640,000 (2021: RMB312,640,000) recognised in previous years.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

22 DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

Movement in deferred income tax account is as follows:

	GROUP	
	2022	2021
	RMB'000	RMB'000
Beginning of financial year	(471,027)	(503,585)
Credited to profit or loss (Note 10)	105,846	32,558
End of financial year	(365,181)	(471,027)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

	GROUP			
	INVESTMENT PROPERTIES	FINANCIAL ASSET, AT FVPL	OTHERS	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets				
<u>Group</u>				
2022				
Beginning of financial year	–	–	–	–
Credited to profit or loss	–	87,250	–	87,250
End of financial year	–	87,250	–	87,250
2021				
Beginning of financial year	–	–	27,529	27,529
Charged to profit or loss	–	–	(27,529)	(27,529)
End of financial year	–	–	–	–
Deferred income tax liabilities				
<u>Group</u>				
2022				
Beginning of financial year	442,184	15,700	13,143	471,027
Credited to profit or loss	(1,232)	(15,700)	(1,664)	(18,596)
End of financial year	440,952	–	11,479	452,431
2021				
Beginning of financial year	442,677	52,700	35,737	531,114
Credited to profit or loss	(493)	(37,000)	(22,594)	(60,087)
End of financial year	442,184	15,700	13,143	471,027

At the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is RMB1,318,288,000 (2021: RMB1,626,867,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Accordingly, withholding tax amounting to RMB131,828,800 (2021: RMB162,686,700) relating to the undistributed earnings has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

23 SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	AMOUNT RMB'000
Company		
2022 and 2021		
Beginning and end of financial year	2,557,040,024	4,028,372

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

24 PERPETUAL CONVERTIBLE SECURITIES

In October 2014, the Company issued perpetual subordinated convertible securities (the "Perpetual Convertible Securities" or "PCS") with an initial aggregate principal amount of Singapore dollar ("S$") 185 million comprising Tranche 1 and Tranche 2 amounting to S$165 million and S$20 million, respectively. The details of the Perpetual Convertible Securities are set out in the circular dated 18 August 2014. The issue of the Perpetual Convertible Securities generated gross proceeds of RMB902,097,000 and net proceeds of RMB878,970,000 after deducting RMB23,127,000 of transaction costs. The Perpetual Convertible Securities have no fixed maturity.

Tranche 1 Perpetual Convertible Securities can be redeemed by the Company after the date of the fifth anniversary of the relevant issue date. Tranche 2 Perpetual Convertible Securities can be redeemed by the Company during the following periods: (i) between the second anniversary of the issue date (including the date of the second anniversary of the issue date) and the third anniversary from the issue date (but excluding the date of the third anniversary from the Issue Date); and (ii) after the date of the fifth anniversary from the issue date.

On 7 November 2022, the Company announced that it had entered into an amendment and supplemental deed (the "Amendment Deed") with the Bondholder pursuant to which, the Company and the Bondholder agreed to, among others, amend the Tranche 1 PCS conditions and Tranche 2 PCS conditions. For more details, please refer to the circular dated 7 November 2022 made available on SGXNET.

Following the approval from shareholders at the Extraordinary General Meeting dated 29 December 2022 in relation to the Amendment Deed, the Perpetual Convertible Securities are convertible into 1,480,000,000 (2021: 581,761,006) new shares of the Company at a conversion price of S$0.125 (2021: S$0.318) per share.

As a result of the Amendment Deed, the Group recognised net reversal of distribution during the financial year ended 31 December 2022 of RMB417,507,000 (2021: distribution of RMB315,885,000) in the consolidated statement of changes in equity.

The Perpetual Convertible Securities confer on the holder a right to receive a distribution at a pre-determined date at a rate at 4.00% (2021: 16.06%). The Company may elect to defer distribution and is not subject to any limits as to the number of times distribution can be deferred.

While any distributions are unpaid or deferred, the Company shall not declare or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buyback or acquire for any consideration any share capital thereof (including preference shares) or security issued by the Company which ranks or is expressed to rank pari passu with Perpetual Convertible Securities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

24 PERPETUAL CONVERTIBLE SECURITIES (CONTINUED)

The holder of the convertible securities has the right to convert such convertible securities into shares of the Company at any time between the expiry of three years from the issue date (including the date of the third anniversary from the issue date) and the expiry of six years from the issue date (excluding the date of the sixth anniversary of the issue date), except if an offer is made to shareholders of the Company for all the outstanding shares of the Company, or if an event of default or change of control event occurs.

Given that both a change of control event occurred and an offer was made to the Shareholders of the Company for all the shares of the Company prior to the expiry of three years, the holder remains to have the conversion right under the terms and conditions of the PCS.

As the Perpetual Convertible Securities impose no contractual obligation on the Group to repay its principal, they do not meet the definition for classification as financial liabilities. Accordingly, the whole instrument is classified as equity, and respective distributions, if and when declared, are treated as dividends.

25 OTHER RESERVES

	GROUP	
	2022 RMB'000	2021 RMB'000
(a) Composition:		
Reverse acquisition reserve	(2,034,754)	(2,034,754)
Convertible bonds reserve	42,458	42,458
Statutory common reserve	91,018	91,018
Currency translation reserve	(93,769)	34,880
	(1,995,047)	(1,866,398)
(b) Movements:		
(i) Reverse acquisition reserve		
Beginning and end of financial year	(2,034,754)	(2,034,754)
(ii) Convertible bonds reserve		
Beginning and end of financial year	42,458	42,458
(iii) Statutory common reserve		
Beginning and end of financial year	91,018	91,018
(iv) Currency translation reserve		
Beginning of financial year	34,880	(18,570)
Net currency translation differences arising from consolidation	(128,649)	53,450
End of financial year	(93,769)	34,880

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for the financial year ended 31 December 2022

25 OTHER RESERVES (CONTINUED)

	COMPANY	
	2022 RMB'000	2021 RMB'000
(a) Composition:		
Convertible bonds reserve	42,458	42,458
Currency translation reserve	(41,098)	(11,043)
	1,360	31,415
(b) Movements:		
(i) Convertible bonds reserve		
Beginning and end of financial year	42,458	42,458
(ii) Currency translation reserve		
Beginning of financial year	(11,043)	(17,354)
Net translation differences	(30,055)	6,311
End of financial year	(41,098)	(11,043)

The reverse acquisition reserve relates to the excess of purchase consideration over the fair value of the net assets of subsidiaries acquired under a reverse acquisition.

The convertible bonds reserve relates to the equity component of the convertible bonds issued in prior financial years retained within equity upon redemption.

The statutory common reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the PRC in accordance with the PRC requirement. The statutory common reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

The currency translation reserve records exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

The other reserves are not distributable unless realised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

26 COMMITMENTS

Operating lease commitments – where the Group is a lessor

The Group sublets its investment properties to non-related parties under non-cancellable operating leases. The lessees are required to pay the fixed component of the rent under the lease arrangements, adjusted for increases in rent where such increases have been provided for under lease agreements.

The future minimum lease receivables under non-cancellable operating leases, contracted for at the reporting date but not recognised as receivables, are as follows:

	GROUP	
	2022	2021
	RMB'000	RMB'000
Not later than one year	162,486	146,629
Between one and five years	423,857	381,120
Later than five years	223,289	153,750
	809,632	681,499

27 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set. The finance personnel identifies and evaluates financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares regular reports for review by the Chief Financial Officer. Regular reports are also submitted to the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has currency exposures arising from transactions denominated in currencies other than their respective functional currencies. The foreign currencies giving rise to this risk are primarily the RMB, United States Dollar ("USD") and Singapore Dollar ("SGD"). The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The Group's foreign currency exposure based on the information provided to key management is as follows:

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Group				
2022				
Financial assets				
Financial asset, at FVPL	210,000	–	–	210,000
Cash and cash equivalents	350,726	2,338	17,709	370,773
Trade and other receivables	357,878	306	–	358,184
Intra-group receivables	4,838,288	873,300	2,389,012	8,100,600
	5,756,892	875,944	2,406,721	9,039,557
Financial liabilities				
Trade and other payables	(369,435)	(231,774)	(10,054)	(611,263)
Borrowings	(1,630,747)	(86,549)	(758,667)	(2,475,963)
Intra-group payables	(4,838,288)	(873,300)	(2,389,012)	(8,100,600)
	(6,838,470)	(1,191,623)	(3,157,733)	(11,187,826)
Net financial liabilities	(1,081,578)	(315,679)	(751,012)	(2,148,269)
Less: Net financial liabilities denominated in the respective entities' functional currencies	1,081,645	315,679	–	1,397,324
Currency exposure of net financial assets/(liabilities) of those denominated in the respective entities' functional currencies	67	–	(751,012)	(750,945)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's foreign currency exposure based on the information provided to key management is as follows: (continued)

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Group				
2021				
Financial assets				
Financial asset, at FVPL	621,799	–	–	621,799
Cash and cash equivalents	523,550	3,973	40,413	567,936
Trade and other receivables	339,436	227	–	339,663
Intra-group receivables	4,873,529	940,340	2,188,969	8,002,838
	6,358,314	944,540	2,229,382	9,532,236
Financial liabilities				
Trade and other payables	(395,619)	(750,463)	(4,176)	(1,150,258)
Borrowings	(1,842,808)	(78,991)	(567,467)	(2,489,266)
Intra-group payables	(4,873,529)	(940,340)	(2,188,969)	(8,002,838)
	(7,111,956)	(1,769,794)	(2,760,612)	(11,642,362)
Net financial liabilities	(753,642)	(825,254)	(531,230)	(2,110,126)
Less: Net financial liabilities denominated in the respective entities' functional currencies	753,709	825,254	–	1,578,963
Currency exposure of net financial assets/(liabilities) of those denominated in the respective entities' functional currencies	67	–	(531,230)	(531,163)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's foreign currency exposure based on the information provided to key management is as follows: (continued)

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Company				
2022				
Financial assets				
Cash and cash equivalents	–	1,324	1,353	2,677
Trade and other receivables	1,226,948	375,236	1,082,964	2,685,148
	1,226,948	376,560	1,084,317	2,687,825
Financial liabilities				
Trade and other payables	(480,214)	(602,440)	(577,157)	(1,659,811)
Borrowings	–	(86,549)	(487,036)	(573,585)
	(480,214)	(688,989)	(1,064,193)	(2,233,396)
Net financial assets/ (liabilities)	746,734	(312,429)	20,124	454,429
Add: Net financial liabilities denominated in the Company's functional currencies	–	312,429	–	312,429
Currency exposure of net financial assets of those denominated in the Company's functional currency	746,734	–	20,124	766,858

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Company				
2021				
Financial assets				
Cash and cash equivalents	–	3,616	18,856	22,472
Trade and other receivables	1,226,948	461,838	988,869	2,677,655
	1,226,948	465,454	1,007,725	2,700,127
Financial liabilities				
Trade and other payables	(562,769)	(1,134,631)	(524,031)	(2,221,431)
Borrowings	–	(78,991)	(318,802)	(397,793)
	(562,769)	(1,213,622)	(842,833)	(2,619,224)
Net financial assets/ (liabilities)	664,179	(748,168)	164,892	80,903
Add: Net financial liabilities denominated in the Company's functional currencies	–	748,168	–	748,168
Currency exposure of net financial assets of those denominated in the Company's functional currency	664,179	–	164,892	829,071

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

A 1% (2021: 1%) strengthening of RMB, SGD and USD against the functional currencies of the Group entities at the reporting date would increase/(decrease) the profit before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
RMB	1	1	7,467	6,642
USD	(7,510)	(5,312)	201	1,649

(ii) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group and the Company are not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months from the reporting date.

The Group obtains additional financing through bank borrowings arrangements. The Group's policy is to obtain the most favourable interest rates available without increasing its exposure.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The following table sets out the carrying amounts, by maturity or repricing, whichever is earlier, of the financial instruments of the Group that are exposed to interest rate risk:

	GROUP		COMPANY	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Financial liabilities				
Fixed rate				
Bond notes	215,912	159,401	390,034	318,802
Loan from a related party	183,551	78,991	183,551	78,991
	399,463	238,392	573,585	397,793
Floating rate				
Bank borrowings	2,076,500	2,250,874	–	–
	2,076,500	2,250,874	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company are not exposed to changes in interest rates for fixed rate financial liabilities.

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial liabilities, a change of 50 basis points (2021: 50 basis points) in interest rate at the reporting date would (increase)/decrease loss before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	PROFIT OR LOSS 50 BASIS POINTS	
	INCREASE RMB'000	DECREASE RMB'000
Group		
2022		
Floating rate instruments	(10,383)	10,383
2021		
Floating rate instruments	(11,254)	11,254

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for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

Risk management

The Group adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies. The cash balances are measured on 12-month expected credit loss and subject to immaterial credit loss.

For sales of properties, the Group typically requires advanced payment by the customers or notifications from financial institution on approval of loan applications submitted by the customers upon entering into sales agreement, and sales proceeds are typically fully settled concurrent with delivery of properties. For leasing of properties, rental deposits and advanced payments from the tenants are required prior to the lease term commenced to mitigate their credit risks over lease receivables.

The Group believes that ECL for trade receivables is insignificant as these receivables relate mainly to tenants that have good records with the Group or have sufficient rental deposits as collateral.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

There is no concentration of credit risk with respect to trade receivables, as there is a large number of customers.

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the ECL, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the ECL, the Group considers historical loss rates and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes on the factor.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost mainly comprised of other receivables, i.e. non-trade amount due from non-related parties and deposits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other financial assets, at amortised cost (continued)

The Group's current credit risk grading framework comprises the following categories:

CATEGORY	DESCRIPTION	BASIS FOR RECOGNISING ECL
Performing	The counterparty has a low risk of default and does not have any pass-due amounts.	12-month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impairment
In default	There is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impairment
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Movement in loss allowances on trade and other receivables:

	TRADE RECEIVABLES RMB'000	OTHER RECEIVABLES RMB'000	TOTAL RMB'000
Group			
2022			
Beginning of the financial year	2,474	350,222	352,696
Charge to profit or loss	21	–	21
Written-off	(927)	(30)	(957)
End of the financial year (Note 13)	1,568	350,192	351,760

	TRADE RECEIVABLES RMB'000	OTHER RECEIVABLES RMB'000	TOTAL RMB'000
Group			
2021			
Beginning of the financial year	3,271	350,183	353,454
Charge to profit or loss	1,034	39	1,073
Written-off	(1,831)	–	(1,831)
End of the financial year (Note 13)	2,474	350,222	352,696

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other financial assets, at amortised cost (continued)

As at 31 December 2022, the Company held non-trade receivables from its subsidiaries amounting to RMB2,684,842,000 (2021: RMB2,677,392,000). These balances are amounts funded to subsidiaries as working capital. The Company used general approach for assessment of ECL for these receivables. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, loss allowance on these balances has been measured on the 12-month expected credit loss basis and the amount of the loss allowance provided as at 31 December 2022 is RMB302,056,000 (2021: RMB302,056,000).

Financial guarantee contracts

As at 31 December 2022, the Company has issued financial guarantees to banks for borrowings of its subsidiaries amounting to RMB1,097,753,000 (2021: RMB1,077,066,000) (Note 19). The Group has intra-group financial guarantees. These guarantees are subject to the impairment requirements of SFRS(I) 9 Financial Instruments. The Group and the Company have assessed that its subsidiaries have strong financial capacity to meet their respective contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due. The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Group's and the Company's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuation in cash flows. The Group also ensures the availability of funding through committed bank facilities and lines.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	LESS THAN 1 YEAR RMB'000	BETWEEN 1 TO 5 YEARS RMB'000	OVER 5 YEARS RMB'000
Group			
2022			
Trade and other payables	387,171	224,092	–
Borrowings	513,963	1,864,056	418,944
	901,134	2,088,148	418,944
2021			
Trade and other payables	1,150,258	–	–
Borrowings	432,952	1,859,644	601,716
	1,583,210	1,859,644	601,716

	LESS THAN 1 YEAR RMB'000	BETWEEN 1 TO 5 YEARS RMB'000
Company		
2022		
Trade and other payables	1,435,719	224,092
Borrowings	573,585	–
Financial guarantee contracts	1,097,753	–
	3,331,149	224,092
2021		
Trade and other payables	2,221,431	–
Borrowings	397,793	–
Financial guarantee contracts	1,077,066	–
	3,696,290	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's and the Company's strategies, which were unchanged, are to maintain gearing ratios of less than 100%. The Group and the Company are also required by certain financial institutions to maintain certain level of consolidated net worth and certain leverage and financial gearing ratios.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	GROUP		COMPANY	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	2,475,963	2,489,266	573,585	397,793
Cash and cash equivalents	(370,773)	(567,936)	(2,677)	(22,472)
Net debt	2,105,190	1,921,330	570,908	375,321
Total equity	2,035,763	2,093,575	3,571,198	3,047,532
Total capital	4,140,953	4,014,905	4,142,106	3,422,853
Gearing ratio	51%	48%	14%	11%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

(e) Fair value measurements

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).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The following table presents the assets and liabilities measured at fair value at each reporting date:

	GROUP	
	2022	2021
	RMB'000	RMB'000
Level 3		
Financial asset, at FVPL	210,000	621,799

There were no transfers between Level 1, Level 2 and Level 3 of fair value measurement hierarchy during the financial years ended 31 December 2022 and 2021.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount less impairment allowance of trade and other receivables and the carrying amount of trade and other payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosures purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximate their fair values.

Valuation techniques and inputs used in Level 3 fair value measurements

VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT[3]	RANGE
2022		
Direct comparison approach, income method and residual value	selling price per square meter [1]	RMB52,100
	discount rate [2]	7%
	occupancy rate [1]	85% - 98%
	rental growth[1]	3% - 5%
	gross development value per square meter [1]	RMB25,600
	value of to-be-developed land per square meter [1]	RMB19,400

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT[3]	RANGE
2021		
Direct comparison approach, income method and residual value	selling price per square meter [1]	RMB51,500
	discount rate [2]	7%
	occupancy rate [1]	90% - 98%
	rental growth[1]	3% - 4%
	gross development value per square meter [1]	RMB25,600
	value of to-be-developed land per square meter [1]	RMB19,800

(1) Any significant isolated increases/(decreases) in these inputs would result in a significantly higher/ (lower) fair value measurement.
(2) Any significant isolated increases/(decreases) in these inputs would result in a significantly lower/ (higher) fair value measurement.
(3) There were no significant inter-relationships between unobservable inputs.

There were no changes in valuation techniques during the financial years ended 31 December 2022 and 2021.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2022 and 2021.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	GROUP		COMPANY	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Financial asset, at FVPL	210,000	621,799	–	–
Financial assets, at amortised cost	728,957	907,599	2,687,825	2,700,127
Financial liabilities, at amortised cost	3,087,226	3,639,524	2,233,396	2,619,224

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

28 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and other related parties at terms agreed between the parties:

(a) Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	GROUP	
	2022	**2021**
	RMB'000	**RMB'000**
Key management personnel		
- salaries, wages and other related costs	8,343	7,518

(b) Related party transactions

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

	GROUP	
	2022	**2021**
	RMB'000	**RMB'000**
Interest expenses charged by a related party	8,177	2,547
Management fees and related costs charged by an associate of controlling shareholder	5,868	5,879
Loan from a related party	183,551	78,991
Distribution on perpetual convertible securities payable to controlling shareholder, net of reversal	(417,507)	315,885

29 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee, designated as the Chief Operating Decision Maker ("CODM"), that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in three primary geographic areas namely, Singapore, the PRC and Hong Kong. From a business segment perspective, management separately considers the business activities in these geographic areas.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

29 SEGMENT INFORMATION (CONTINUED)

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CODM reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Property investment	:	Leasing of investment properties to generate rental income, facilities management income and holding of properties for capital appreciation
Property development	:	Development and sales of residential, commercial and other types of properties and equity investment in property development companies
Others	:	Mainly related with corporate office functions and investment holding

The CODM assesses the performance of the operating segments based on a measure of earnings before interest and tax ("Adjusted EBIT") for continuing operations. This measurement basis excludes the effects of accounting adjustment from the operating segments such as fair value changes on investment properties and financial asset, at FVPL that are not expected to recur regularly in every period and are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the case position of the Group.

There are no sales between operating segments. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The segment information provided to the CODM for the reportable segments is as follows:

	PROPERTY INVESTMENT RMB'000	PROPERTY DEVELOPMENT RMB'000	OTHERS RMB'000	TOTAL RMB'000
2022				
Revenue				
Total segment sales	165,234	891	–	166,125
Adjusted EBIT	70,060	(87,510)	113,107	95,657
Finance expenses	–	(24,435)	(113,692)	(138,127)
Interest income	–	–	6,761	6,761
Fair value loss on investment properties	(4,930)	–	–	(4,930)
Fair value loss on financial asset, at FVPL	–	(411,799)	–	(411,799)
Segment profit/(loss) before tax	65,130	(523,744)	6,176	(452,438)
Depreciation of property, plant and equipment	–	–	4,650	4,650
Segment assets	4,171,457	1,521,375	438,492	6,131,324
Segment assets includes:				
Additions to:				
- Property, plant and equipment	–	–	431	431
Segment liabilities	1,780,426	738,919	1,576,216	4,095,561

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

29 SEGMENT INFORMATION (CONTINUED)

	PROPERTY INVESTMENT RMB'000	PROPERTY DEVELOPMENT RMB'000	OTHERS RMB'000	TOTAL RMB'000
2021				
Revenue				
Total segment sales	195,167	33,649	–	228,816
Adjusted EBIT	109,771	(54,765)	(77,563)	(22,557)
Finance expenses	–	(16,666)	(117,386)	(134,052)
Interest income	–	–	10,920	10,920
Fair value loss on investment properties	(1,972)	–	–	(1,972)
Fair value loss on financial asset, at FVPL	–	(148,000)	–	(148,000)
Segment profit/(loss) before tax	107,799	(219,431)	(184,029)	(295,661)
Depreciation of property, plant and equipment	–	–	3,472	3,472
Segment assets	4,156,744	2,045,165	635,822	6,837,731
Segment assets includes:				
Additions to:				
- Property, plant and equipment	–	–	234	234
Segment liabilities	1,980,022	756,257	2,007,877	4,744,156

(a) Geographical information

The Group's three business segments operate in three main geographical areas:

- Singapore and Hong Kong – the Company is headquartered in Singapore. The operations in Singapore and Hong Kong are principally investment holding; and
- The PRC – the operations in this area are principally the property development and property investment and facility management.

	2022 RMB'000	2021 RMB'000
Sales – the PRC	166,125	228,816
Non-current assets		
- The PRC	4,354,981	4,776,004
- Singapore	17	3
	4,354,998	4,776,007

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

29 SEGMENT INFORMATION (CONTINUED)

(b) Revenue from major services

Revenue from external customers is derived mainly from sales of properties and property rental as disclosed in Note 4.

Revenue of RMB32,262,000 (2021: RMB28,873,000) are derived from a single external customer. This revenue is attributable to the property rental income under property investment segment.

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

31 PRIOR YEAR ADJUSTMENT

Below line items on the consolidated statement of cash flows for the financial year ended 31 December 2021 have been reclassified to improve clarity and conform to current financial year's presentation. The reclassification is made to reflect the more appropriate classification of interest paid to align with the purpose of the borrowings under financing activities.

	BEFORE RESTATEMENT	RESTATEMENT	AFTER RESTATEMENT
	RMB'000	RMB'000	RMB'000
Consolidated statement of cash flows for the financial year ended 31 December 2021			
Operating activities:			
Interest paid	(130,551)	130,551	-
Net cash (used in)/generated from operating activities	(44,263)	130,551	86,288
Financing activities:			
Interest paid	–	(130,551)	(130,551)
Net cash generated from/(used in) financing activities	12,454	(130,551)	(118,097)

32 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 6 April 2023.

SHAREHOLDERS' INFORMATION

As at 20 March 2023

SHAREHOLDERS' INFORMATION AS AT 20 MARCH 2023

Issued and Fully Paid-up Capital	:	S$855,835,508.311
Number of Shares	:	2,557,040,024
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

The Company does not hold any treasury shares and subsidiary holdings.

STATISTICS OF SHAREHOLDINGS AS AT 20 MARCH 2023

SIZE OF SHAREHOLDING			NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1	-	99	5	0.13	141	0.00
100	-	1,000	75	1.95	57,083	0.00
1,001	-	10,000	1,185	30.80	9,253,900	0.36
10,001	-	1,000,000	2,537	65.95	194,073,363	7.59
1,000,001		and above	45	1.17	2,353,655,537	92.05
			3,847	100.00	2,557,040,024	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2023

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
Everbright Hero Limited [1]	381,000,000	14.90%	-	-
State Alpha Limited [2]	1,461,011,837	57.14%	-	-
Everbright Hero Holdings Limited [3]	-	-	381,000,000	14.90%
Everbright Hero, L.P. [4]	-	-	381,000,000	14.90%
Everbright Hero LP Limited [5]	-	-	381,000,000	14.90%
Aerial Victory Limited [6]	-	-	381,000,000	14.90%
China Everbright Limited [7]	-	-	1,842,011,837	72.04%
Honorich Holdings Limited [8]	-	-	1,842,011,837	72.04%
China Everbright Holdings Company Limited [9]	-	-	1,842,011,837	72.04%
China Everbright Group Ltd. [10]	-	-	1,842,011,837	72.04%
Central Huijin Investment Ltd. [11]	-	-	1,842,011,837	72.04%

Notes:

(1) Everbright Hero Limited has a total beneficial interest in 381,000,000 shares, of which all of such 381,000,000 shares are held in the names of nominees.

(2) State Alpha Limited has a total beneficial interest in 1,461,011,837 shares, out of which 1,125,474,562 shares are held in the names of nominees.

(3) Everbright Hero Holdings Limited holds 100% of the shareholding in Everbright Hero Limited and is therefore deemed interested in the shares held by Everbright Hero Limited.

SHAREHOLDERS' INFORMATION

As at 20 March 2023

(4) Everbright Hero, L.P. holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% shares of the shareholding in Everbright Hero Limited. Everbright Hero, L.P. is therefore deemed interested in the shares held by Everbright Hero Limited.

(5) Everbright Hero LP Limited holds a majority shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero LP Limited is therefore deemed interested in the shares held by Everbright Hero Limited.

(6) Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a majority shareholding interestin Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Aerial Victory Limited is therefore deemed interested in the shares held by Everbright Hero Limited.

(7) China Everbright Limited holds 100% of the shareholding in Aerial Victory Limited, which in turn is deemed interested in the shares held by Everbright Hero Limited. China Everbright Limited also holds 100% of the shareholding in State Alpha Limited. China Everbright Limited is therefore deemed interested in the shares held by Everbright Hero Limited and State Alpha Limited.

(8) Honorich Holdings Limited holds approximately 49.39% of the shareholding in China Everbright Limited. China Everbright Limited in turn holds 100% of the shareholding in Aerial Victory Limited, which in turn is deemed interested in the shares held by Everbright Hero Limited and holds 100% of the shareholding in State Alpha Limited. Honorich Holdings Limited is therefore deemed interested in all the shares held by Everbright Hero Limited and State Alpha Limited.

(9) China Everbright Holdings Company Limited holds 100% of the shareholding in Honorich Holdings Limited. Honorich Holdings Limited in turn holds approximately 49.39% of the shareholding in China Everbright Limited. China Everbright Limited in turn holds 100% of the shareholding in Aerial Victory Limited, which in turn is deemed interested in the shares held by Everbright Hero Limited, and also holds 100% of the shareholding in State Alpha Limited. China Everbright Holdings Company Limited is therefore deemed interested in all the shares held by Everbright Hero Limited and State Alpha Limited.

(10) China Everbright Group Ltd. ("**CEG**") holds 100% of the shareholding in China Everbright Holdings Company Limited. China Everbright Holdings Company Limited in turn holds 100% of the shareholding in Honorich Holdings Limited. Honorich Holdings Limited in turn holds approximately 49.39% of the shareholding in China Everbright Limited. China Everbright Limited in turn holds 100% of the shareholding in Aerial Victory Limited, which in turn is deemed interested in the shares held by Everbright Hero Limited, and also holds 100% of the shareholding in State Alpha Limited. CEG is therefore deemed interested in all the shares held by Everbright Hero Limited and State Alpha Limited.

(11) Central Huijin Investment Ltd ("**Central Huijin**") holds approximately 63.16% of the shareholding in CEG. CEG in turn holds 100% of the shareholding in China Everbright Holdings Company Limited. China Everbright Holdings Company Limited in turn holds 100% of the shareholding in Honorich Holdings Limited. Honorich Holdings Limited in turn holds approximately 49.39% of the shareholding in China Everbright Limited. China Everbright Limited in turn holds 100% of the shareholding in Aerial Victory Limited, which in turn is deemed interested in the shares held by Everbright Hero Limited, and also holds 100% of the shareholding in State Alpha Limited. Central Huijin is therefore deemed interested in all the shares held by Everbright Hero Limited and State Alpha Limited.

Central Huijin mandated to exercise the rights and the obligations as an investor in major state-owned financial enterprises, on behalf of the State. In September 2017, the Ministry of Finance issued special treasury bonds and acquired all the shares of Central Huijin from the People's Bank of China. The acquired shares were injected into China Investment Corporation ("**CIC**") as part of its initial capital contribution. However, Central Huijin's principal shareholder rights are exercised by the State Council. The members of Central Huijin's Board of Directors and Board of Supervisors are appointed by and are accountable to the State Council.

Accordingly, China Everbright Limited and its associates as defined under Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**"), are considered controlling shareholders of the Company and to be interested persons under the SGX-ST Listing Manual.

SHAREHOLDERS' INFORMATION

As at 20 March 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1	DBS VICKERS SECURITIES (S) PTE LTD	1,507,008,562	58.94
2	STATE ALPHA LIMITED	335,537,275	13.12
3	CITIBANK NOMINEES SINGAPORE PTE LTD	114,306,252	4.47
4	DBS NOMINEES PTE LTD	102,427,964	4.01
5	POH CHOO BIN	41,251,600	1.61
6	PHILLIP SECURITIES PTE LTD	33,544,700	1.31
7	RAFFLES NOMINEES (PTE) LIMITED	31,747,187	1.24
8	OCBC SECURITIES PRIVATE LTD	29,064,250	1.14
9	LIM HONG CHING	25,208,000	0.99
10	UOB KAY HIAN PTE LTD	22,550,800	0.88
11	MAYBANK SECURITIES PTE. LTD.	14,257,400	0.56
12	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	9,300,000	0.36
13	CHEONG CHOONG KONG	7,762,000	0.30
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,589,600	0.30
15	PENG XIALIN	5,944,000	0.23
16	TAN OOI NYUK	5,500,000	0.22
17	LOH KERN SIANG	5,500,000	0.22
18	MERRILL LYNCH (SINGAPORE) PTE LTD	4,237,147	0.17
19	YUN KWANG HUN	4,000,000	0.15
20	HO SOO YIN	3,700,000	0.14
		2,310,436,737	**90.36**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

27.96% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SHAREHOLDERS' INFORMATION

As at 20 March 2023

PERPETUAL SUBORDINATED CONVERTIBLE CALLABLE SECURITIES

Principal Size of Perpetual Subordinated Convertible Securities ("**Perpetual Convertible Securities**"):	S$185,000,000 in aggregate principal amount of Perpetual Convertible Securities comprising two tranches. Tranche 1 comprises S$165,000,000 in aggregate principal amount of Perpetual Convertible Securities and may be redeemed by the Company after five (5) years from the Issue Date (including the date of the fifth anniversary from the Issue Date). Tranche 2 comprises S$20,000,000 in aggregate principal amount of Perpetual Convertible Securities and may be redeemed by the Company during the following periods: (i) between the period of two (2) years from the Issue Date (including the date of the second anniversary from the Issue Date) and three (3) years from the Issue Date (but excluding the date of the third anniversary of the Issue Date); and (ii) after five (5) years from the Issue Date (including the date of the fifth anniversary of the Issue Date).
Holder of Perpetual Convertible Securities:	Everbright Hero Mauritius Limited, the nominee of Everbright Hero Holdings Limited
Issue Date:	17 October 2014
Voting Rights:	The Perpetual Convertible Securities do not confer any voting rights on its holder.
Maturity date:	No maturity date
Initial Conversion Price:	S$0.318 per Share but subject to adjustments in accordance with the Terms and Conditions of the Perpetual Convertible Securities, a summary of which is set out in the Appendix of the Company's Circular to Shareholders dated 18 August 2014
Conversion Price Amendment:	The amendment to the Conversion Price in the Terms and Conditions of the Perpetual Convertible Securities Condition from S$0.318 per Share to S$0.125 per Share as approved by Shareholders on 29 December 2022.
Conversion Shares:	Based on the Initial Conversion Price and assuming there are no adjustments thereto, the number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the principal amount of the Perpetual Convertible Securities is 581,761,006 Conversion Shares. As a result of the Conversion Price Amendment, the maximum number of Conversion Shares that could be allotted and issued by the Company pursuant to the full conversion of the principal amount of the Perpetual Convertible Securities is 1,480,000,000 Conversion Shares. The Conversion Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date the relevant Conversion Shares are credited to the accounts of person or persons designated in the conversion notice with The Central Depository (Pte) Limited or he is or they are registered as such in the Company's register of members ("**Registration Date**"), save that the holders of the Conversion Shares shall not be entitled to any rights the record date of which precedes the relevant Registration Date.

For more information on the Perpetual Convertible Securities, please refer to the Company's Circulars dated 18 August 2014 and 14 December 2022.

NOTICE OF ANNUAL GENERAL MEETING

This Notice has been made available on the home page of the Company's corporate website (https://www.yingligj.com/) and SGXNET. A printed copy of the Notice of Annual General Meeting will not be despatched to members of the Company.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of Ying Li International Real Estate Limited (the "**Company**") will be by way of electronic means on Thursday, 27 April 2023 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company ("**Directors**") retiring pursuant to Article 106 of the Company's Constitution:

   Mr Zhang Mingao **(Resolution 2)**
   Dr Yang Haishan **(Resolution 3)**
   Mr Chia Seng Hee, Jack **(Resolution 4)**
   [See Explanatory Note (i)]

3. To approve the payment of Directors' Fees of S$300,000 for the financial year ending 31 December 2023, payable quarterly in arrears.
   [See Explanatory Note (ii)] **(Resolution 5)**

4. To re-appoint Messrs CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:-

6. **SHARE ISSUE MANDATE**

   THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors to:-

NOTICE OF ANNUAL GENERAL MEETING

I. (a) issue and allot shares in the capital of the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares (collectively, "**Instruments**"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares (excluding treasury Shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(ii) new Shares arising from exercise of share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 7)**

By Order of the Board

Toh Li Ping, Angela
Company Secretary

12 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Zhang Mingao will, upon re-election as a Director, remain as a Non-Executive and Non-Independent Chairman of the Company and a member of the Remuneration Committee.

Dr Yang Haishan will, upon re-election as a Director, remain as a Non-Executive and Non-Independent Director of the Company and a member of the Nominating Committee ("**NC**").

Mr Chia Seng Hee, Jack will, upon re-election as a Director, remain as the Lead Independent Director of the Company and the Chairman of Audit Committee, NC and Risk Management Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The information relating to the Directors of the Company seeking re-election as required under Rule 720(6) of the Listing Manual of the SGX-ST is set out under the Additional Information on Directors seeking re-election in the Annual Report.

(ii) The Ordinary Resolution 5 proposed in item 3 above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred. The Directors' fees will be paid quarterly in arrears. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the Directors will hold office for the whole of the financial year ending 31 December 2023 ("**FY2023**").

Should any Director hold office for only part of FY2023 and not the whole of FY2023, the Director's fee payable to him will be appropriately pro-rated.

(iii) The Ordinary Resolution 7 proposed in item 6 above, if passed, will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury Shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-

(a) new Shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of the passing of Resolution 7;

(b) new Shares arising from the exercise of share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM will be held by way of electronic means and members will NOT be allowed to attend the AGM in person.

2. There will be no despatch of printed copies and this Notice of AGM together with the following documents are made available to members on 12 April 2023 via SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and the Company's website at the following URL: https://www.yingligj.com/:

   (a) Proxy Form in relation to the AGM; and

   (b) Annual Report.

3. Alternative arrangements are instead put in place to allow members/proxies to participate in the AGM by:

   (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Members/proxies who wish to participate as such will have to pre-register in the matter outlined in Notes 4 to 8 below;

   (b) submitting questions ahead of or "live" at the AGM. Please refer to the Notes 9 to 11 below for further details; and

   (c) voting (i) "live" by the members or by their duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to Notes 12 to 19 below for further details.

Participation in AGM proceedings via "live webcast"

4. A member of the Company, their proxy(ies) or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a live webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member/proxy(ies) must pre-register by 2.00 p.m. on 24 April 2023, being seventy-two (72) hours before the time appointed for the AGM ("**Registration Cut-Off Time**"), at the following URL: https://www.yingligj.com/FY2022agm/ ("**Pre-Registration Website**").

5. Following authentication of his/her/its status as a member or proxy(ies) of the member of the Company, authenticated member/proxy(ies) will receive an email with instructions to access the Live Webcast.

6. Members/proxies who have registered by the Registration Cut-Off Time in accordance with paragraph (4) above but do not receive an email response by 5.00 p.m. on 25 April 2023 may contact the Company's live webcast provider by 10.00 a.m. on 26 April 2023 for assistance at the following email address: webcast@bigbangdesign.co, with the following details included:

   (a) the member's/proxy's full name;

   (b) his/her/its identification/company registration number; and

   (c) the manner in which the shares are held (e.g. via The Central Depositor (Pte) Limited ("**CDP**"), Central Provident Fund ("**CPF**") Investment Scheme, or Supplementary Retirement Scheme ("**SRS**")).

7. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

8. Corporate shareholders must also submit the Corporate Representative Certificate to the Share Registrar, B.A.C.S. Private Limited, at main@zicoholdings.com, in addition to the registration procedures as set out in paragraph (4) above, by the Registration Cut-Off Time, for verification purpose.

Submission of questions ahead of the AGM

9. Members (including CPF and SRS Investors) may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations ahead of the AGM. To do so, all questions must be submitted by 2.00 p.m. on 20 April 2023 through any of the following means:

   (a) via the Pre-registration Website; or

   (b) in physical copy by depositing the same at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (c) by sending a scanned PDF copy by email to main@zicoholdings.com.

   If the questions are submitted by post, deposited at the registered office of the Company's share registrar or sent via email, and in either case not accompanied by the completed and executed Proxy Form, the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

10. The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations by publishing its responses to such questions, if any, on the Company's corporate website at the following URL: https://www.yingligj.com/ and on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements at least 48 hours prior to the deadline for submission of Proxy Forms. Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNet, or at the AGM.

Submission of questions "live" at the AGM

11. Members (including CPF and SRS Investors) may submit textual questions "live" at the AGM in the following manner:

    (a) Members (including CPF and SRS Investors) or where applicable, their appointed proxy(ies) who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" chatbox function via the webcast platform during the AGM.

    (b) Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting a Proxy Form, ensure that their proxy(ies) pre-register separately via the Pre-Registration Website before the Registration Cut-Off Time.

    (c) Members (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast platform in order to ask questions "live" at the AGM.

    (d) The Company will, during the AGM itself, address the substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Submission of Proxy Form, or voting "live" at the AGM

12. Members who wish to exercise their voting rights at the AGM may:

    (a) (where such members are individuals) vote "live" via electronic means at the AGM or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)* to vote "live" via electronic means at the AGM on their behalf. Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" at the AGM on their behalf must, in addition to completing and submitting a Proxy Form, ensure that their proxy(ies) pre-register separately via the Pre-Registration Website before the Registration Cut-Off Time; or

        *For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

    (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

    A proxy need not be a member of the Company.

13. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

14. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

    "Relevant intermediary" means:

    (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

15. Subject to Note 18 below, completion and return of Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

16. The completed and signed Proxy Form must be submitted to the Company in the following manner:

    (a) by depositing a hard copy (whether in person or by post) at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

    (b) by sending a scanned PDF copy by email to main@zicoholdings.com,

    in either case **by no later than 2.00 p.m. on 25 April 2023, being forty-eight (48) hours before the time appointed for the AGM.**

    A member who wishes to submit a Proxy Form must first **download, complete and sign the Proxy Form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.

17. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

18. Investors who hold shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wish to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 17 April 2023 at 5.00 p.m.).

19. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one Proxy Form). In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company: (i) consents to the collection, use and disclosure of such member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where such member discloses the personal data of such member's proxy(ies) and/or representative(s) to the Company (or its agents), such member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that such member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

Additional Information required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Directors seeking for re-election (as at 12 April 2023)

The following additional information on Mr Zhang Mingao, all of whom are seeking re-election as Directors at this Annual General Meeting ("AGM"), is to be read in conjunction with their respective biographies on pages 17 to 18 of this Annual Report.

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
Date of Appointment	14 November 2019	5 June 2020	27 July 2018
Date of last re-appointment (if applicable)	22 May 2020	29 April 2021	29 April 2021
Age	55	50	62
Country of principal residence	China	China	Singapore
The Board's comments on this appointment / re-election (In the Company's case, the Board's comments on this re-election)	The Nominating Committee ("**NC**") having considered the attendance and participation of the Director at Board and Board Committees meetings, in particular, Mr Zhang Mingao's contribution to the business and operations of the Company as well as Board processes, has recommended to the Board the re-election of Mr Zhang Mingao who will be retiring by rotation pursuant to Article 106 of the Company's Constitution at the forthcoming Annual General Meeting ("**AGM**"). The Board supported the NC's recommendation. Mr Zhang Mingao had abstained from voting on any resolution and making any recommendation and/or participate in respect of his own re-election.	The NC having considered the attendance and participation of the Director at Board and Board Committees meetings, in particular, Dr Yang Haishan's contribution to the business and operations of the Company as well as Board processes, has recommended to the Board the re-election of Dr Yang Haishan who will be retiring pursuant to Article 106 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Dr Yang Haishan had abstained from voting on any resolution and making any recommendation and/or participate in respect of her own re-election.	The NC having considered the attendance and participation of the Director at Board and Board Committees meetings, in particular, Mr Jack Chia's contribution to the business and operations of the Company as well as Board processes, has recommended to the Board the re-election of Mr Jack Chia who will be retiring pursuant to Article 106 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Mr Jack Chia had abstained from voting on any resolution and making any recommendation and/or participate in respect of his own re-election.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director and a member of the Remuneration Committee	Non-Executive and Non-Independent Director and a member of the Nominating Committee ("**NC**")	Lead Independent Director and Chairman of the Audit Committee, NC and Risk Management Committee
Professional qualifications	Please refer to the Directors' respective biographies on pages 17 to 18 of this Annual Report.		
Working experience and occupation(s) during the past 10 years	Please refer to the Directors' respective biographies on pages 17 to 18 of this Annual Report.		
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Direct Interest of 1,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer – Yes / No	Yes	Yes	Yes
Other Principal Commitments*	Please refer to the Directors' respective biographies on pages 17 to 18 of this Annual Report.		
Other Directorships for the past 5 years	Nil	Nil	1. AGV Group Limited 2. Legami Pte. Ltd. 3. Best Success (Hong Kong) Ltd 4. Jack Global Consulting Pte. Ltd. 5. Shanghai Turbo Enterprises Limited 6. Lifebrandz Ltd. 7. Derong Real Estate Holdings Pte. Ltd. 8. Dynamic Real Estate Holdings Pte. Ltd. 9. Combine Will International Holdings Limited 10. Debao Property Development Ltd 11. China Shenshan Orchard Holdings Co. Ltd.
Other Present Directorships	1. China Everbright Limited 2. Aerial Victory Limited 3. CEL (Macau) Investment Company Limited 4. CEL Fortune Limited 5. CEL Management Services Limited 6. China Aircraft Leasing Group Holdings Limited 7. China Everbright Charitable Foundation Company Limited 8. China Everbright Finance Limited 9. China Everbright Financial Investments Limited	1. EBA (Beijing) Real Estate Investment Consultancy Co., Ltd. 2. EBA (Beijing) Investment Management Co., Ltd. 3. EBA (Beijing) Asset Management Co., Ltd 4. Ment Capital Pte. Ltd.	1. mm2 Asia Ltd. 2. CDW Holding Limited 3. CFM Holdings Limited 4. Jieyu Business Information Consulting (Chongqing) Limited Liability Company

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
Other Present Directorships	10. China Everbright Global Investment Limited 11. Colour Season Limited 12. EBA Investments (Advisory) Limited 13. Everbright Ashmore Investment White (Cayman) Limited 14. Everbright Ashmore Investment White (Hong Kong) Limited 15. Everbright Hero GP Limited 16. Everbright Hero Holdings Limited 17. Everbright Hero Limited 18. Everbright Hero LP Limited 19. Everbright Hero Mauritius Limited 20. Everbright Jiabao Co., Ltd. 21. Everbright Overseas Infrastructure Investments Limited 22. Foreign Achieve Limited 23. Fortunecrest Investment Limited 24. IPG-CEL China Ventures Limited 25. Keen Dynamics Limited 26. Knight Proficient Limited 27. Majestic Joy Holdings Limited 28. Pioneer Act Investments Limited 29 Source Brilliance Investments Limited 30. State Alpha Limited 31. Summer Luck Investments Limited 32. Superior Glamorous Limited 33. Well Logic Investment Limited 34. 上海光控嘉鑫股权投资管理有限公司 *(Shanghai CEL Jiaxin Equity Investment Management Limited)* 35. 上海安霞投资中心(有限合伙) *(Shanghai Anxia Investment Centre (Limited Partnership))* 36. 北京光控安宇投资中心(有限合伙) *(Beijing CEL Anyu Investment Centre (Limited Partnership))* 37. 北京光控安雅投资中心(有限合伙) *(Beijing CEL Anya Investment Centre (Limited Partnership))* 38. 常州光控投资有限公司 *(Changzhou CEL Investment Limited)*		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
	39. 广州光控穗港澳青年创业股权投资合伙企业(有限合伙) *(Guangzhou CEL Guangzhou-Hong Kong-Macao Youth Venture Capital Equity Investment Partnership (Limited Partnership))* 40. 无锡光控海银企业管理有限公司 *(Wuxi CEL Haiyin Enterprise Management Company Limited)* 41. 江苏泰州光控产业投资合伙企业（有限合伙） *(Jiangsu Taizhou CEL Industrial Investment Partnership (Limited Partnership))* 42. 江苏泰州光控股权投资合伙企业（有限合伙）*(Jiangsu Taizhou CEL Equity Investment Partnership (Limited Partnership))* 43. 江苏溧阳光控股权投资合伙企业(有限合伙) *(Jiangsu Liyang CEL Equity Investment Partnership (Limited Partnership))* 44. 泰州光控投资有限公司 *(Taizhou CEL Investment Limited)* 45. 泰州光控泰元股权投资有限公司 *(Taizhou CEL Taiyuan Equity Investment Limited)* 46. 泰州光控祥泰投资有限公司 *(Taizhou CEL Xiangtai Investment Limited)* 47. 湖南光控投资有限公司 *(Hunan CEL Investment Company Limited)* 48. 湖南光控星宸股权投资合伙企业(有限合伙) *(Hunan CEL Xingchen Equity Investment Partnership (Limited Partnership))* 49. 湖南光控星盛股权投资合伙企业(有限合伙) *(Hunan CEL Xingsheng Equity Investment Partnership (Limited Partnership))* 50. 溧阳光控君和股权投资有限公司 *(Liyang CEL Junhe Equity Investment Limited)* 51. 溧阳光控投资有限公司 *(Liyang CEL Investment Limited)* 52. 珠海横琴光控招银投资中心(有限合伙) *(Zhuhai Hengqin CEL Zhaoyin Investment Centre (Limited Partnership))* 53. 苏州光控创新创业投资合伙企业（有限合伙）*(Suzhou CEL Innovation Venture Capital Investment Partnership (Limited Partnership))* 54. 苏州光控创业投资有限公司 *(Suzhou CEL Venture Capital Limited)* 55. 光大控股(江苏)投资有限公司 *(Everbright (Jiangsu) Investment Limited)* 56. 光大控股创业投资(深圳)有限公司 *(CEL Venture Capital (Shenzhen) Limited)* 57. 光科创新创业咨询(深圳)有限公司 *(Guangke Innovation Venture Capital Advisory (Shenzhen) Limited)*		

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
Disclosure applicable to appointment of Director only			
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable	Not applicable

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	ZHANG MINGAO	YANG HAISHAN	CHIA SENG HEE, JACK ("JACK CHIA")
The Company confirms that there is no change in the declaration items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual concerning the Directors to be re-elected, except for item (k) in respect of Mr Jack Chia as follows:			
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency whether in Singapore or elsewhere?			Yes, on 16 Feb 2022 SGX reprimanded Debao Property Development Limited on breaches on Listing Rules

* The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

YING LI INTERNATIONAL REAL ESTATE LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 199106356W)

PROXY FORM

This Proxy Form has been made available on the Company's corporate website (https://www.yingligj.com/) and SGXNET. A printed copy of this Proxy Form will not be despatched to members of the Company.

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or "**Meeting**") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 12 April 2023 which has been uploaded on SGXNET at the URL at: https://www.sgx.com/securities/company-announcements on the same day. The announcement and the Notice of Annual General Meeting can also be accessed at the Company's corporate website (https://www.yingligj.com/). **Printed copies of this Proxy Form and the Notice of AGM will not be sent to members.**
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM (i.e. 17 April 2023 at 5.00 p.m.).
4. **This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**

I/We*, ______________________________ (Name), ____________________ (NRIC/Passport no. /Co. Reg No.)*

of ____ (Address)

being a member/members of Ying Li International Real Estate Limited (the "**Company**"), hereby appoint(s):

NAME	ADDRESS	EMAIL ADDRESS	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
				NO. OF SHARES	%

and/or (delete as appropriate)

NAME	ADDRESS	EMAIL ADDRESS	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
				NO. OF SHARES	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Thursday, 27 April 2023 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

NO.	RESOLUTIONS RELATING TO:	FOR**	AGAINST**	ABSTAIN**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2	Re-election of Mr Zhang Mingao as a Director			
3	Re-election of Dr Yang Haishan as a Director			
4	Re-election of Mr Chia Seng Hee, Jack as a Director			
5	Approval of Directors' fees amounting to S$300,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears			
6	Re-appointment of Messrs CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) as Auditors of the Company			
7	Share Issue Mandate			

* Delete where inapplicable
** Voting will be conducted by poll. If you wish the Chairman of the Meeting, as your proxy, to cast all your votes for or against a Resolution, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a Resolution, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against".

Dated this ______ day of April 2023

____
Signature(s) of member(s)
or Common Seal of Corporate Shareholder
IMPORTANT: PLEASE READ NOTES OVERLEAF.

Total Number of Shares held in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Notes:

1. Please insert the total number of shares held by you. If you have shares registered in your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies shall be deemed to relate all the Shares held by you.

2. Members will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)*** to vote "live" via electronic means at the AGM on his/her/its behalf; or

   ***For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

   A proxy need not be a member of the Company.

3. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead.

4. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Subject to paragraph 9 below, completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

7. The completed and signed Proxy Form must be submitted to the Company in the following manner:

   a. in physical copy by depositing the same at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   b. by sending a scanned PDF copy by email to main@zicoholdings.com,

   in either case **by no later than 2.00 p.m. on 25 April 2023, being forty-eight (48) hours before the time appointed for the AGM.**

   A member who wishes to submit a Proxy Form must first **download, complete and sign the Proxy Form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.

8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

9. Investor who holds shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 17 April 2023 at 5.00 p.m.).

PERSONAL DATA PRIVACY:

By submitting a Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2023.

GENERAL:

The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

YING LI INTERNATIONAL REAL ESTATE LIMITED

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