英利国际
YINGLI INTL

UNWAVERING FORTITUDE

ANNUAL REPORT 2023

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For more information, please visit:
www.yingligj.com

CORPORATE PROFILE

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 state-owned company of the People's Republic of China (the" **PRC**").

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.

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.

英利国际2023年董事局主席致辞

MS. WANG YUN
NON-EXECUTIVE AND
NON-INDEPENDENT CHAIRMAN

2023年，英利国际继续朝着公司战略转型发展方向稳步前行，团队努力实现公司年度经营计划和绩效目标，企业绿色转型新业务获得实质进展，团队不断化解风险、提升运营、推进转型。

2023年，全球经济遭受多重挑战，地缘政治与军事冲突频发导致国际形势加剧动荡，全球经济复苏进程维艰；然而危机中生机亦从不缺席，人工智能异军突起驱动产业变革提速引领世界迎来颠覆性发展机遇。

2023年，是中国全面落实党的二十大精神开局之年，是中国全面建设社会主义现代化国家新征程起步之年，中国特色大国外交为动荡世界注入正能量、中国科技创新塑造发展新动能新优势、杭州亚运会成功举办、中国明确以金融高质量发展助力强国建设、民族复兴伟业，金融工作上升到国家更高战略高度，中国经济回升向好、稳中求进、高质量发展扎实推进！

2023年，英利国际继续朝着公司战略转型发展方向稳步前行，团队努力实现公司年度经营计划和绩效目标，企业绿色转型新业务获得实质进展，团队不断化解风险、提升运营、推进转型。我们欣喜地看到，2023年英利国际经营业绩实现扭亏为盈；公司自持物业价值稳步攀升，英利国际金融中心的出租率大幅提升，英利大融城按定位精准调改，强化品控，营收数据和整体面貌都呈现可喜发展态势；与国电投合作的大坪大融城综合节能改造项目一期工程经实际测定，节能率约达16.46%，超过预期建设目标。

展望2024年，搭乘中国“十四五”发展新机遇及世界经济复苏向好的新希望，我们对未来充满期待。2024年，英利国际团队将同心聚力，全力化解各类风险挑战，坚定落实战略蓝图，全面精进管理运营，不断促进业绩回升，持续提升和实现股东投资价值。在此，我谨代表董事会，衷心感谢各位股东、合作伙伴及客户的长期关注和支持，英利国际将携手各位股东、合作伙伴、社会各界共同贯彻“远见稳进、守正出奇”的企业核心价值观，持续推动英利国际实现质效的有力提升和高质量发展，推动企业向战略目标稳健前行！

CHAIRMAN'S STATEMENT

"IN 2023, YING LI CONTINUED TO STEADILY ADVANCED TOWARDS ITS STRATEGIC TRANSFORMATION AND DEVELOPMENT GOALS, WHERE OUR TEAM AT YING LI HAS PUT IN CONSIDERABLE EFFORT AND HARD WORK TO ACHIEVE THE GROUP'S ANNUAL OPERATIONAL GOALS AND PERFORMANCE TARGETS."

In 2023, the global economy faced multiple challenges, with geopolitical and military conflicts exacerbating international turmoil, leading to an arduous process for the recovery of global economy. However, amidst the crises, there are opportunities abound. The emergence of artificial intelligence has accelerated industrial transformation, creating new revolutionary opportunities globally.

2023 also marks the first year for the full implementation of the guiding principles of the 20th National Congress of the Communist Party of China, as well as the start of China's new journey to holistically develop into a socialist and modern country. China's distinctive diplomacy has also infused positive energy into a turbulent world, while Chinese technological innovations continue to generate new momentum and competitive edge. Together with the successful hosting of the 19th Asian Games in Hangzhou, adoption of a high-quality financial development approach to support national building, and the rejuvenation of the China's home-grown business enterprises, the development of China's financial infrastructure has risen to a higher strategic level, China's economy has rebounded and advancing steadily, progressing towards high-quality national development.

In 2023, Ying Li continued to steadily advanced towards its strategic transformation and development goals, where our team at Ying Li has put in considerable effort and hard work to achieve the Group's annual operational goals and performance targets. There was significant progress in the Group's green strategy, and the team consistently mitigated risks, enhanced operations, and forge ahead in our transformation initiatives.

We are encouraged by Ying Li's financial performance in FY2023, where the Group staged a positive turnaround and put us back on the track of profitability. The valuation of the Group's property assets has steadily increased, and notably the occupancy rate at Ying Li International Financial Centre has increased significantly, Ying Li IMIX Park Jiefangbei was repositioned with a stronger focus on tenant management, which saw revenue data and overall conditions exhibiting positive trends. With the completion of the first-phase integration of comprehensive energy-saving features, which was a cooperation project with State Power Investment Corporation Chongqing Electric Power Co., Ltd, we have achieved energy savings of up to 16.46% within IMIX Park Daping, which exceeded our initial targets.

Looking ahead to 2024, on the back of the new opportunities from China's "14th Five-Year Plan" and optimism from the global economic recovery, we are hopeful for the future. In 2024, our team at Ying Li will continue to work in unison to mitigate risks and challenges in our operating environment, committing to the Group's strategic development blueprint to optimise management and operation processes, consistently improving the Group's performance and realising shareholders' investment value.

At this point, on behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders, business partners, and customers for their long-term interest and support in Ying Li.

Together with the collective wisdom and capabilities from our stakeholders, Ying Li will continue to leverage on our core values of "Foresight with Steady Progress, Advancement through Innovations" to advance towards higher management effectiveness and high-quality growth developments, leading Ying Li steadily towards our strategic goals!

FINANCIAL REVIEW

REVENUE FOR FY2023

RMB208.5 MILLION

+ RMB42.4 MILLION (+25.5%)

GROSS PROFIT FOR FY2023

RMB140.1 MILLION

+ RMB21.5 MILLION (+18.1%)

For the financial year ended 31 December 2023 ("**FY2023**"), the Group's revenue increased by 25.5% year-on-year ("**Y-o-Y**"), or RMB42.4 million to RMB208.5 million (financial year ended 31 December 2022 ("**FY2022**"): RMB166.1 million), which was due to an increase in sales of properties by RMB16.5 million, and an increase in rental income by RMB25.9 million.

Revenue from the sales of properties increased by 1847.4% Y-o-Y, or RMB16.5 million to RMB17.4 million (FY2022: RMB0.9 million), mainly attributable to more property units have been sold in FY2023.

Rental income increased by 15.7% Y-o-Y or RMB25.9 million to RMB191.1 million (FY2022: RMB165.2 million), primarily driven by a gradual recovery following the reopening of China's economy in the post-COVID era.

Corresponding to the increased revenue registered in FY2023, the Group's gross profit increased by 18.1% Y-o-Y or RMB21.5 million to RMB140.1 million in FY2023 (FY2022: RMB118.6 million). The Group's overall gross profit margin dipped by 4.2 percentage points to 67.2% in FY2023 (FY2022: 71.4%), primary due to higher proportion of revenue contributed by sales of properties which generally yield lower gross profit margin.

For FY2023, the Group's other income increased marginally by RMB0.4 million or 3.5% to RMB12.5 million (FY2022: RMB12.1 million), mainly due to higher interest income recognised.

The Group's marketing expenses decreased by RMB4.3 million or 18.4% to RMB19.2 million in FY2023 (FY2022: RMB23.5 million), mainly due to a decrease in amortisation of deferred lease incentive.

The Group's administrative expenses decreased by RMB13.0 million or 14.7% to RMB75.3 million in FY2023 (FY2022: RMB88.3 million), mainly due to a decrease in legal and professional fees as the Group replaced the bond notes with a loan from a subsidiary of controlling shareholder.

The Group's finance expenses increased by RMB18.3 million or 13.2% to RMB156.4 million in FY2023 (FY2022: RMB138.1 million), mainly due to higher floating interest rate on U.S. dollar loans.

The Group recorded other gains of RMB148.2 million in FY2023 as compared to other losses of RMB333.2 million in FY2022, mainly due to:

FINANCIAL **REVIEW**

- As at 31 December 2023, an independent valuation was carried out by KPMG Advisory (China) Limited Shenzhen Branch on the investment properties held by the Group. Based on the valuation report, the Group recognised a fair value gain of RMB278.8 million in FY2023 (FY2022: fair value loss of RMB4.9 million), mainly due to increase in fair value of one of the investment properties, attributed to the increase in rental rates in the shopping malls of surrounding area with the gradual recovery from COVID-19;

- Separately, as at 31 December 2023, Savills Valuation and Professional Services (China) Limited was commissioned to provide an independent valuation on Beijing New Everbright Centre. Based on the valuation and distribution report, the Group has fully written down the unquoted investment in limited partnership and recognised a fair value loss of RMB210 million in FY2023 (FY2022: RMB411.8 million), mainly due to the stringent policies maintained by local authorities in the property sector, which prolonged the property development and sales period, leading to a reduction of forecasted margin of the project due to significant fixed costs, e.g. finance costs, to be incurred on yearly basis. Consequently, this led to the decrease in the fair value of this financial asset, at fair value through profit or loss ("**FVPL**");

- Reversal of provision on litigation cases in FY2023 due to discharge of a guarantee liability; and

- There was no reversal of other tax payable on waived distribution under Perpetual Convertible Securities in FY2023.

For FY2023, the Group incurred tax expenses mainly due to recognition of deferred income tax as a result of the increase in fair value of investment properties and reversal of provision on litigation cases, partially offset by fair value loss on financial asset, at FVPL.

Overall, the Group posted a net profit attributable to the equity holders of the Company of RMB16.9 million for FY2023 (FY2022: net loss of RMB341.2 million) mainly due to higher revenue generated, fair value gain on investment properties, and lower expenses incurred in FY2023 as compared with FY2022.

FINANCIAL POSITION

As at 31 December 2023, the Group's total assets decreased by 1.2% or RMB71.6 million, to RMB6,059.7 million (31 December 2022: RMB6,131.3 million), mainly due to (i) decrease in fair value of financial asset, at FVPL of RMB210 million; (ii) decrease in trade and other receivables of RMB70.2 million; (iii) decrease in cash and cash equivalents of RMB52.4 million mainly due to the repayment of loan principal and interest; and (iv) decrease in development properties of RMB13.1 million mainly due to sale of properties; partially offset by (v) increase in investment properties of RMB277.1 million.

The Group's total liabilities decreased marginally by 0.1% or RMB5.1 million, to RMB4,090.5 million (31 December 2022: RMB4,095.6 million), mainly due to (i) net decrease in borrowings of RMB44.0 million attributed to net repayment of borrowings; (ii) decrease in provisions of RMB26.0 million; partially offset by (iii) increase in trade and other payable of RMB25.0 million; (iv) increase in deferred tax liabilities of RMB31.5 million; and (v) increase in income tax liabilities of RMB8.4 million.

The Group's total equity decreased by RMB66.6 million to RMB1,969.2 million (31 December 2022: RMB2,035.8 million), mainly due to increase in currency translation deficit of RMB48.9 million.

CASH FLOW

In FY2023, the Group's unrestricted cash and cash equivalent increased by RMB 154.0 million, which was mainly attributed to (i) net cash inflows of RMB153.2 million from operating activities; (ii) net cash inflows of RMB4.3 million from investing activities; and (iii) net cash outflows of RMB3.5 million in financing activities.

The net cash inflows from operating activities of RMB153.2 million was mainly attributable to the cash generated from operations of RMB85.9 million, improvement in working capital of RMB57.4 million and interest received of RMB9.9 million.

Net cash inflows from investing activities of RMB4.3 million was mainly attributable to the proceeds from disposal of investment properties.

Net cash outflows in financing activities of RMB3.5 million was mainly due to the repayment of loan principal and interest.

OPERATIONS REVIEW

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

Over the past three decades, China's economy has achieved remarkable and persistent high growth that lifted the economy from low-income to upper-middle-income status. China's economy has grown to become second largest economy in the world and over the past 15 years, China has been the main driver of the world's economic growth, accounting for 35% of global nominal GDP growth, while the United States accounted for 27%.

For 2023, it marks the first year of reopening for China's economy in the post-COVID era. According to estimates from China's National Bureau of Statistics, China's GDP in 2023 grew 5.2%, slightly more than the official target of around 5%.

To strengthen its economic resiliency and growth in the post-COVID era, the Chinese government has initiated various support packages and policy measures throughout 2023. According to a state media report in December 2023, the Chinese government has pledged greater steps to support the country's flagging real estate market, by "actively yet safely defuse risks in the real estate sector" and "meet the reasonable financing needs of real estate enterprises".

In March 2024, China's housing ministry reported that more than US$28 billion of bank loans have been approved for property projects, which provides the latest indication that lenders are heeding the government's push to support the embattled real estate market.

According to projections by the International Monetary Fund, China's GDP will expand by 4.6% in 2024 amid continued weakness in the property market and subdued external demand.

Against the backdrop of the evolving macro-economic challenges and uncertain market conditions, the Group has calibrated our business model after undertaking a strategic review, moving from asset heavy to asset light, focusing on property management services in order to mitigate the impact of regulatory measures over the real estate development sector, offloading non-core property assets and to identify emerging growth opportunities that are unrelated to the real estate market but aligned with China's 14th 5-year (2021-2025) development plan.

The Group's core real estate business activities are based in Chongqing and our investment property portfolio comprises integrated office and retail developments, residential properties and commercial properties. As at 31 December 2023, the Group's investment properties have a total gross floor area of over 300,000 square metres ("**sqm**") which comprises four main segments of retail (approximately 66%), office (approximately 10%), carpark and warehousing (approximately 24%).

In 2023, the GDP of Southwest China's Chongqing municipality expanded 6.1% year-on-year, surpassing RMB3 trillion for the first time in 2023, making it the fourth city in the country to top this figure, according to the municipal government. Chongqing has set the GDP growth target at about 6% for 2024, according to the annual session of the municipal people's congress, which was held in January 2024. Chongqing has previously announced plans to become a first-tier city by the 30th anniversary of its direct administration in 2027, with its GDP and per capita GDP crossing RMB4 trillion and RMB120,000 respectively.

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

With the rising trend of eco-investment and development, the Group aims to leverage on our 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.

OPERATIONS **REVIEW**

SECTOR REVIEW

CHONGQING OFFICE MARKET

According to a publication issued in October 2023 by Savills on Chongqing's office property market, no new projects entered Chongqing's Grade A office market in the third quarter of 2023. Total Grade A office stock in the city remained at 2.62 million sqm. As a result of unclear market prospect, some new projects have been delayed entering the market and new supply pressure may decrease in short term.

CHONGQING RETAIL MARKET

In a separate publication issued in January 2024 by Savills on Chongqing's retail property market, four retail projects entered the Chongqing retail market, recording a new supply of over 371,000 sqm in the first three quarters of 2023. By the end of third quarter of 2023, the total shopping mall stock reached 8 million sqm, including department stores. Over the past few years, there has been a surge in the supply of retail properties in Chongqing, and the expanding scale has heightened the level of competition.

OPERATIONS REVIEW

SALE OF PROPERTIES SEGMENT

The Group currently has two real estate projects in Chongqing that are under development, namely Lion City Garden that is a retail/residential property project and Ying Li International Hardware and Electrical Centre ("**IEC**") that is 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. To optimise the economic value of both real estate projects, the management continues to evaluate the options and appropriate timing for the unutilised land portions of both 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 remains vigilant in tracking emerging retail trends and endeavors to collaborate with tenants to explore innovative retail concepts and experiences. This is to ensure that the Group's retail properties remain relevant and captivating in the face of a growing and competitive retail market.

INVESTMENT PROJECT

The Group's investment in Beijing New Everbright Centre, located at 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, has been completed. One of the office towers has been sold and handed over while the remaining office tower has been rented out partially while looking for 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 2023

FUTURE INTERNATIONAL

COMPLETED

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 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.

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
81,918 SQM

OPERATIONS **REVIEW**

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

COMPLETED

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, Guocoland, JCDecaux, Hong Kong Special Administrative Region representative office, Consulate-General of the Kingdom of the Netherlands in Chongqing and Sinopec Chongqing Branch.

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

OPERATIONS **REVIEW**

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2023

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

COMPLETED

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.

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

OPERATIONS **REVIEW**

SAN YA WAN PHASE 2 (LION CITY GARDEN)

UNDER DEVELOPMENT

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.

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 2023
RMB899.0 MILLION

OPERATIONS **REVIEW**

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2023

YING LI INTERNATIONAL HARDWARE AND ELECTRICAL CENTRE (IEC)

UNDER DEVELOPMENT

Nestled in Jiangjin Shuangfu District, 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.

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 2023
RMB1,454 MILLION

OPERATIONS **REVIEW**

BEIJING
NEW EVERBRIGHT CENTRE – BEIJING TONGZHOU

UNDER DEVELOPMENT

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. Construction of Phase 2, which comprises two office towers and a retail podium, has been completed. One of the office towers has been sold and handed over while the remaining office tower has been rented out partially while looking for 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.

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 2023
RMB9.07 BILLION

OTHER PROJECTS AT A GLANCE

1997

1. MINSHENG MANSION

First skyscraper in Yuzhong district

Type: Commercial & Residential
Completion Date: December 1997
Total GFA (SQM): 63,342

2000

2. ZOU RONG PLAZA

Chongqing's first financial industry focused project

Type: Commercial & Residential
Completion Date: December 2000
Total GFA (SQM): 102,502

2004

3. SOUTHLAND GARDEN

Chongqing's first high-end residential project

Type: Residential & Retail
Completion Date: December 2004
Total GFA (SQM):57,009

2005

4. NEW YORK NEW YORK

Received one of the PRC's highest architectural accolades

Type: Commercial
Completion Date: March 2005
Total GFA (SQM): 41,337

2007

5. BASHU CAMBRIDGE

One of first enterprise educational institution partnerships

Type: Residential & Retail
Completion Date: February 2007
Total GFA (SQM): 43,086

2009

6. 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 2023

1997
MINSHENG MANSION

Address
No. 181 Minsheng Road, Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

Land Use Right Expiry
Commercial – September 2033

Completion Date
December 1997

2000
ZOU RONG PLAZA

Address
Nos. 141 to 155 Zourong Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Land Use Right Expiry
Commercial – January 2046

Completion Date
December 2000

2004
SOUTHLAND GARDEN

Address
Nos. 46 to 52 Cangbai Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Land Use Right Expiry
Commercial – November 2042

Completion Date
December 2004

2005
NEW YORK NEW YORK

Address
No. 108 Bayi Road, Yuzhong District, Chongqing

Usage
Car Park

Land Use Right Expiry
Commercial – January 2042

Completion Date
March 2005

INVESTMENT **PROPERTIES PORTFOLIO**

As At 31 December 2023

2006

FUTURE INTERNATIONAL

Address
No. 6 Guanyinqiao Pedestrian Street, Jiangbei District, Chongqing

Usage
Retail and Car Park

Land Use Right Expiry
Commercial – March 2045

Completion Date
December 2006

2007

BASHU CAMBRIDGE

Address
No. 8 Bashu Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Land Use Right Expiry
Commercial – September 2044

Completion Date
February 2007

2011

YING LI INTERNATIONAL FINANCIAL CENTRE/ YING LI IMIX PARK JIEFANGBEI

Address
Nos. 26 & 28 Minquan Road, Yuzhong District, Chongqing

Usage
Retail, Office and Car Park

Land Use Right Expiry
Commercial – December 2044

Completion Date
December 2011

2013

YING LI INTERNATIONAL PLAZA/ YING LI IMIX PARK DAPING

Address
No. 19 Daping Zheng Jie Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Land Use Right Expiry
Commercial – July 2050

Completion Date
December 2013

BOARD OF **DIRECTORS**

MS. WANG YUN

NON-EXECUTIVE AND NON-INDEPENDENT CHAIRMAN

Ms. Wang Yun was appointed as a Non-executive and Non-independent Director of the Company on 14 July 2023. She was re-designated as the Non-executive and Non-independent Chairman on 3 April 2024. She is also a member of the Audit Committee and Risk Management Committee.

Ms. Wang Yun is an Executive Director and Vice President in charge of finance at CEL. She is also a member of the Executive Board Committee and the Environmental, Social and Governance Committee under the Board of CEL, as well as a member of the Management Decision Committee of CEL. Ms. Wang Yun is currently also a Non-Executive Director of China Aircraft Leasing Group Holdings Limited (stock code: 1848.HK).

Prior to joining the Company, Ms. Wang Yun worked at the National Planning Commission of the PRC (currently known as the National Development and Reform Commission of the People's Republic of China) from September 1991 to July 1992. From July 1992 to March 1993, Ms. Wang Yun worked as the finance manager at Beijing Fulanka Digital System Co., Ltd. From March 1993 to May 1998, Ms. Wang Yun worked as the finance supervisor at China Everbright International Economic and Technical Cooperation Corporation. From May 1998 to November 1999, Ms. Wang Yun worked as the financial manager at China Everbright (South Africa) Company (Proprietary) Limited ("Everbright South Africa") and Everbright International Engineering (Proprietary) Company ("Everbright International Engineering"). From November 1999 to September 2007, Ms. Wang Yun worked as the chief financial officer of Everbright South Africa and Everbright International Engineering. From September 2007 to October 2012, Ms. Wang Yun worked as the senior manager of insurance and non-financial audit division of the audit department at China Everbright (Group) Limited (currently known as China Everbright Group Limited) ("China Everbright Group"). From October 2012 to April 2014, Ms. Wang Yun was appointed as the division chief of banking division of the audit department at China Everbright Group. From April 2014 to August 2016, Ms. Wang Yun worked as the senior deputy manager of the audit department and the division chief of insurance and non-financial audit division at China Everbright Group. From August 2016 to November 2017, Ms. Wang Yun worked as the deputy general manager of the audit department and the senior manager of industrial and other audit offices at China Everbright Group. From November 2017 to April 2023, Ms. Wang Yun worked as the general manager of the financial management department of China Everbright Holdings Company Limited ("Everbright Hong Kong"), and from January 2018 to May 2023, she has been appointed as a director of Everbright Hong Kong. Since March 2022, Ms. Wang Yun has been appointed as a chief representative of China Everbright Group's representative office in Macau. Ms. Wang Yun graduated from the Central Institute of Finance and Economics (formerly known as Central University of Finance and Economics) specializing in foreign financial accounting in 1991. In March 2006, she obtained a Master of Business Administration from De Montfort University, De Montfort South Africa, Sandton Campus. Ms. Wang Yun is a non-practicing member of the Chinese Institute of Certified Public Accountants and holds the qualification of Senior Accountant in China.

MR. REN CHAO

EXECUTIVE DIRECTOR AND ACTING CEO

Mr. Ren Chao was appointed as the Executive Director and Acting Chief Executive Officer ("**CEO**") on 3 April 2024.

From March 2022, Mr. Ren Chao was the Group Vice President, responsible for the daily opertions of the Group. Prior to that, he has been the Chairman of Chongqing Transportation Construction Group for 4 years and then the Chairman of Chongqing Transportation Investment Co., Ltd. for nearly 7 years. Prior to these roles, Mr. Ren Chao successively worked at Chongqing Highway Engineering Survey and Design Institute, Chongqing highway engineering supervision office, Chongqing Expressway Administration, Chongqing Expressway Group Co., LTD, Hong Kong Kowloon-Canton Railway Corporation and Chongqing Communications Construction Group Co., LTD. He possesses abundant experience in state-owned enterprise system management, such as highway design, supervision, construction management, real estate development, project investment and financing management.

Mr. Ren Chao graduated from Chongqing Jiaotong University, majoring in Road and Bridge Engineering, and obtained a master's degree in Project Management from the Hong Kong Polytechnic University. He was also awarded the title of Senior Engineer (professor level) of Highway Engineering, Supervision engineer of Ministry of Transport of China, First Prize of Chongqing Scientific and Technological Achievements, Honorary Title of Scientific and Technological Talents of Ministry of Transport of China.

BOARD OF **DIRECTORS**

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 27 April 2023. 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.

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).

BOARD OF **DIRECTORS**

MS. MA JIEYU
INDEPENDENT DIRECTOR

Ms. 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 and the Audit 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. Ms. Ma holds a Bachelor of Science degree in Mathematics from Chongqing Normal University.

MR. LOH WENG SENG VINCENT
INDEPENDENT DIRECTOR

Mr. Loh has been appointed as an Independent Director of the Company as of 10 August 2023. He chairs the Remuneration Committee, bringing with him a wealth of over three decade in the build environment and real estate investment space. Mr. Loh's career boasts a series of professional triumphs, including his pivotal role in the development of the Republic Plaza, a testament to his visionary leadership which stood as Singapore's tallest building in 1995. His professional breadth spans across critical sectors such as biopharmaceuticals and microelectronics, where his contributions have catalyzed growth and innovation throughout the Asian continent.

Serving as the CEO of CPG International Pte Ltd, Mr. Loh has masterfully expanded the corporation's reach, entrenching significant client networks from Greater China to the Middle East and Central Asia to Southeast Asia. His strategic acumen is also evident in his tenure as the Deputy Chairman of the Kazakhstan-Singapore Business Council, where he has fostered stronger bilateral economic ties.

A distinguished alumnus of Loughborough University with executive credentials from the Stanford-Nanyang Management Programme, Mr. Loh's extensive experience in real estate investment is showcased through his astute engagements in the opportunistic fund market, involving high-value transactions across Singapore, the Middle East, China and Japan. His strategic investment insights are instrumental to our endeavors, particularly in initiatives that align with the Belt and Road initiative, underlining his pivotal role in sculpting the landscape of international business and commerce.

KEY MANAGEMENT

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 Qualification Certificate for Registered Cost Engineer and 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.

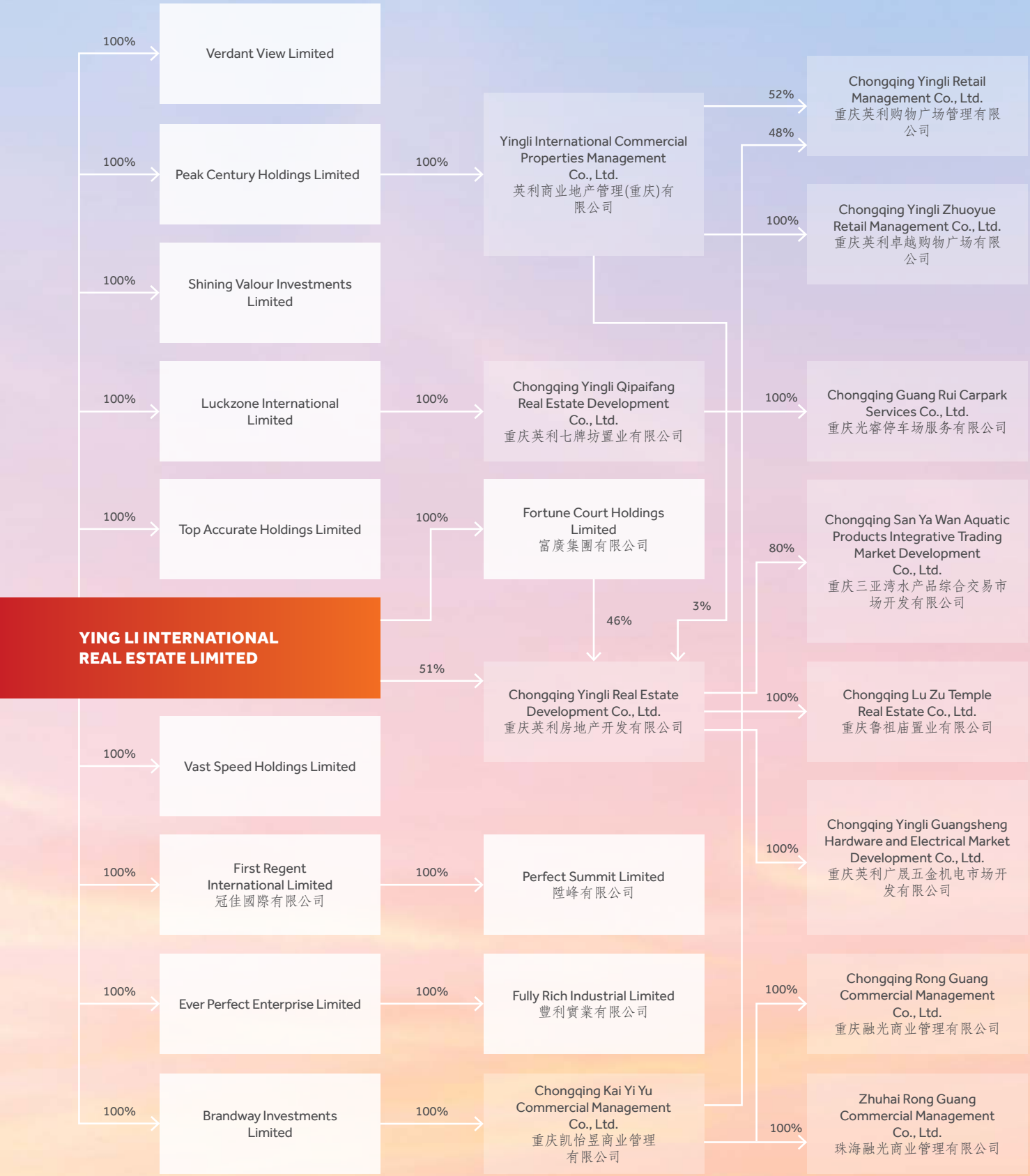
MS. ZENG RONG
GENERAL MANAGER OF LAW AND COMPLIANCE DEPARTMENT

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.

CORPORATE STRUCTURE



CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER
199106356W

BOARD OF DIRECTORS
Wang Yun
(Non-Executive and Non-Independent Chairman)
Ren Chao
(Executive Director and Acting CEO)
Chia Seng Hee, Jack
(Lead Independent Director)
Chen Guodong
(Independent Director)
Ma Jieyu
(Independent Director)
Loh Weng Seng Vincent
(Independent Director)

AUDIT COMMITTEE
Chia Seng Hee, Jack
(Chairman)
Wang Yun
Ma Jieyu

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

NOMINATING COMMITTEE
Chia Seng Hee, Jack
(Chairman)
Ren Chao
Chen Guodong

REMUNERATION COMMITEE
Loh Weng Seng Vincent
(Chairman)
Chen Guodong

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

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
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
Industrial Bank

AWARDS AND ACCOLADES

2023 INTERNATIONAL INVESTMENT PROMOTION OFFICE BUILDING- YING LI IMIX PARK DAPING

2023 年国际招商楼宇-英利国际广场

Jointly awarded by by Chongqing Yuzhong District Returned Overseas Chinese Association and Chongqing Yuzhong District Investment Promotion Bureau

重庆市渝中区归国华侨联合会和重庆市渝中区招商投资促进局

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

YING LI PLACES STRONG EMPHASIS ON EMPLOYEE UPSKILLING EDUCATION AND TRAINING. IN 2023, THE GROUP ORGANISED VARIOUS TRAINING PROGRAMS, WITH A FOCUS ON ENHANCING EMPLOYEES' SKILLS DEVELOPMENT AND REFINING THEIR PROFESSIONAL COMPETENCIES.

FINANCIAL MANAGEMENT TRAINING FOR NON-FINANCE PERSONNEL

In order to nurture financial acumen within the Group and to employ a comprehensive financial perspective in the business operations, the Group has organised this program to enable the management team to learn and understand the importance of financial management.

With "Maximising Enterprise Value" as the ultimate objective under this financial management training, the program aims to equip the management team with the necessary knowledge of financial tools and methodologies to assess and implement the Group's business strategies effectively. In essence, this involves the strategic planning of enterprise value and risk management in a holistic manner.

At the same time, this program is to enable the management team to better appreciate and understand the importance of collaboration and coordination between the front-end business departments and the back-end management departments. In essence, the goal is for the management team to effectively integrate financial management mindset, risk management mindset, and value management mindset to enhance work efficiency collectively and create greater value for the Group.

TEAM BUILDING INITIATIVES

In 2023, the Group has organised team building initiatives under the theme of "Unity and Progress" to cultivate team confidence, uplift morale, strengthen team cohesion, promote teamwork among employees, and make meaningful contributions to the community.

The Group believes that through such activities, the team will deepen their understanding that in the face of challenges, collaborative efforts and teamwork not only strengthen individuals' willpower and perseverance but also optimize the team's cohesion and effectiveness, ultimately leading to fruitful outcomes.

Through these initiatives, the aim is to demonstrate that unity enables the Group to overcome any obstacles. By aligning the mindsets and advancing together towards common goals, the Group's development can be fortified with increased resilience.

In addition, the Group had organised various programs and activities throughout the year which include the following:

- Volunteer programs for nursing homes with personal care services;
- Discussions that are aimed at reducing carbon footprint and overall environmental impact of property buildings; and
- Community sports events.

CORPORATE GOVERNANCE **REPORT**

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 2023 ("**FY2023**"), 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 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 ensuring 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**");

CORPORATE GOVERNANCE **REPORT**

- 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**");

- 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.

CORPORATE GOVERNANCE **REPORT**

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 (a "**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.

The following Directors are First-time Directors and are required to undergo Mandatory Training:

(i) Ms. Wang Yun was appointed as a Non-Executive and Non-Independent Director of the Company on 14 July 2023. She has since completed the Listed Entity Directors Programme conducted by the SID within one year from the date of her appointment to the Board.

(ii) Mr. Loh Weng Seng Vincent ("**Vincent Loh**") was appointed as an Independent Director of the Company on 10 August 2023. He has since completed the Listed Entity Directors Programme conducted by the SID within one year from the date of his appointment to the Board.

(iii) Mr. Ren Chao was appointed as an Executive Director of the Company on 3 April 2024. He will complete the Listed Entity Directors Programme within one year from the date of his appointment to the Board.

Save for Mr. Ren Chao who endeavours to attend the Listed Entity Directors Programme (including the training on sustainability matters as prescribed by the SGX-ST pursuant to Rule 720(7) of the Listing Emanual) within one year from the date of his appointment to the Board, all other Directors of the Company have undergone training on sustainability matters as prescribed by the SGX-ST pursuant to Rule 720(7) of the Listing Manual.

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;

CORPORATE GOVERNANCE **REPORT**

- entry into new loan agreements or debt securities issued by the Company or any of its subsidiaries that contain a condition (the "**Condition**") that makes 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 law, 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 is monitored by the Board, and has its own clear written terms of reference. Each Board Committee is formed with clear written terms of reference setting out its 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.

The following changes to the composition of the Board and its committees took place during FY2023:

- Mr. Wang Hongyang resigned as a Non-Executive and Non-Independent Director of the Company with effect from 17 May 2023. Following his resignation, he stepped down as members of the AC and the RMC.

- Ms. Wang Yun was appointed as a Non-Executive and Non-Independent Director of the Company and members of the AC and the RMC with effect from 14 July 2023.

- Mr. Tan Sek Khee resigned as an Independent Director of the Company with effect from 10 August 2023. Following his resignation, he stepped down as the chairman of the RC and a member of the AC.

- Mr. Vincent Loh was appointed as an Independent Director of the Company and the chairman of the RC with effect from 10 August 2023.

- Ms. Ma Jieyu, an incumbent Independent Director of the Company, was appointed as a member of the AC of the Company with effect from 10 August 2023.

CORPORATE GOVERNANCE **REPORT**

Consequently, the composition of the Board and each Board Committee as at the end of FY2023 is as follows:

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

No alternate Director was appointed to the Board in FY2023.

Subsequently, Mr. Zhang Mingao and Dr. Yang Haishan have resigned from the Board on 3 April 2024. In connection with the succession planning of the Board, Ms. Wang Yun was re-designated from a Non-Executive and Non-Independent Director to Non-Executive and Non-Independent Chairman of the Company with effect from 3 April 2024 and Mr. Ren Chao was appointed as Executive Director of the Company and a member of the NC, and Acting Chief Executive Officer ("**CEO**") of the Group with effect from 3 April 2024.

Provision 1.5 – Board processes, including Directors' attendance at meetings

During the financial year under review, the Board conducted regular and scheduled meetings. Ad-hoc meetings were 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.

CORPORATE GOVERNANCE **REPORT**

All Directors had accorded sufficient time and attention to the affairs of the Company. The number of Board and Board Committee meetings and annual general meeting ("**AGM**") held in FY2023, as well as the Directors' attendance at these meetings are disclosed in the following table:

NAME OF DIRECTORS	GENERAL MEETINGS[6]		BOARD		BOARD COMMITTEES' MEETINGS							
	AGM				AC		RC		NC		RMC	
	NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Zhang Mingao	1	1	4	3			1	1				
Wang Yun[1]	0	–	2	1	2	1					1	1
Yang Haishan	1	1	4	4					1	1		
Jack Chia	1	1	4	4	4	4			1	1	2	2
Vincent Loh[2]	0	–	1	1			0	–				
Chen Guodong	1	1	4	4			1	1	1	1		
Ma Jieyu[3]	1	1	4	4	1	1					2	2
Wang Hongyang[4]	1	1	1	1	1	1					1	1
Tan Sek Khee[5]	1	1	3	3			1	1				

(1) Ms. Wang Yun was appointed as a Non-Executive and Non-Independent Director and members of the AC and RMC of the Company on 14 July 2023. Her attendance at the meetings held during the aforementioned period was recorded from the date of her appointment thereof.

(2) Mr. Vincent Loh was appointed as an Independent Director and the Chairman of the RC of the Company on 10 August 2023. His attendance at the meetings held during the aforementioned period was recorded from the date of his appointment thereof.

(3) Ms. Ma Jieyu was appointed as a member of the AC of the Company on 10 August 2023. Her attendance at the AC meetings held during the aforementioned period was recorded from the date of her appointment thereof.

(4) Mr. Wang Hongyang resigned as a Non-Executive and Non-Independent Director of the Company and stepped down as members of the AC and the RMC with effect from 17 May 2023. His attendance at the meetings held during the aforementioned period was recorded until the date of his resignation thereof.

(5) Mr. Tan Sek Khee resigned as an Independent Director of the Company and stepped down as the chairman of the RC and a member of the AC with effect from 10 August 2023. His attendance at the meetings held during the aforementioned period was recorded until the date of his resignation thereof.

(6) There was no extraordinary general meeting ("**EGM**") of the Company held from 1 January 2023 to 31 December 2023.

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

CORPORATE GOVERNANCE **REPORT**

circulated to the relevant Directors prior to the respective meetings every quarter, save in the case of any ad hoc or urgent meeting. Additional information, such as peer comparisons, was 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

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 as at the end of FY2023.

As at the date of this report, the Independent Directors constitute a majority of the Board which comprises six members of whom one is the Non-Executive and Non-Independent Chairman of the Board, one is an Executive Director and Acting CEO 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.

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

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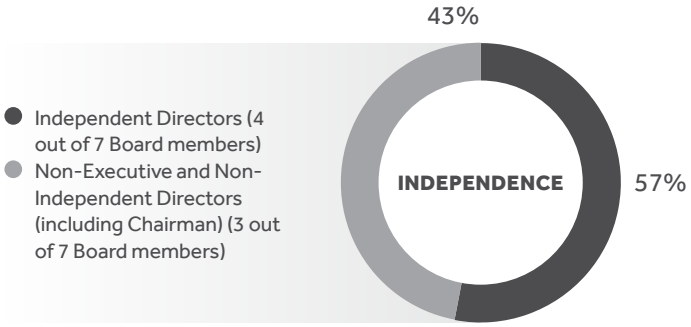
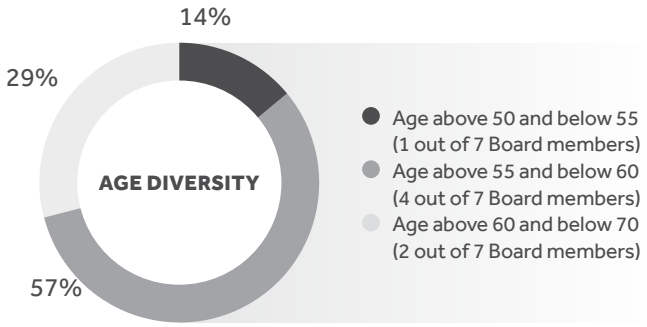
objectives for sustainable development, avoid groupthink and foster constructive debate. A diverse Board also enhances decision-making process through the perspectives derived from differentiating skillsets, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

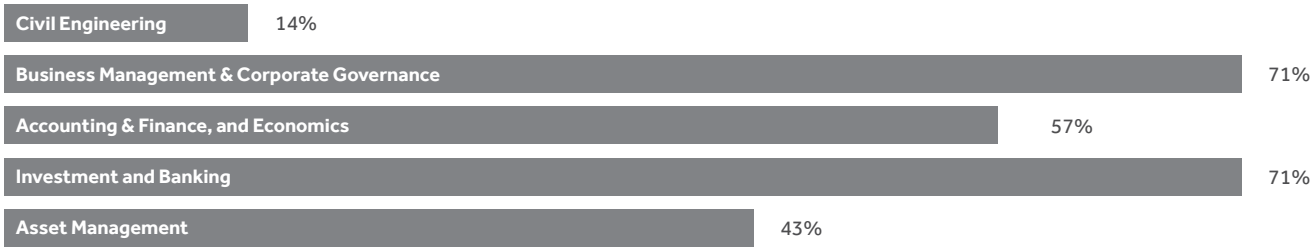
Pursuant to Provision 2.4 of the Code, the Board has adopted a Board Diversity Policy. Having regard to the guidelines in the Board Diversity Policy, the NC will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, take into account factors, including but 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 will be balanced appropriately, when possible.

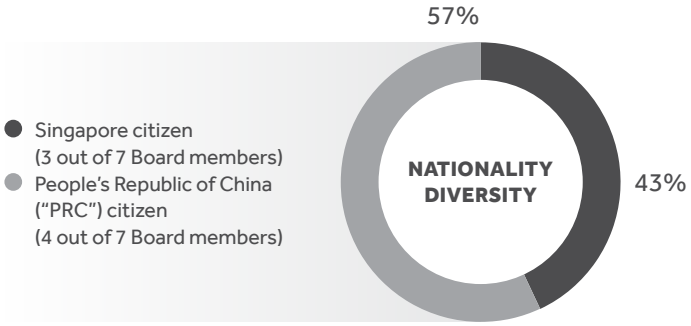
The NC and the Board review the size of the Board and the Board Committees, including the skills and core competencies of its members on an annual basis to ensure that the Board and the Board Committees are of an appropriate size, an appropriate balance and mix of skillset, knowledge, experience, expertise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

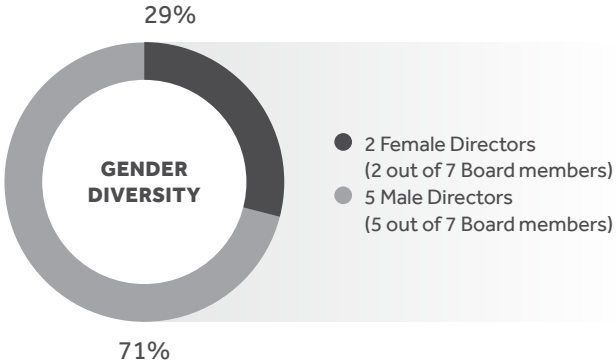
In evaluating the diversity of the Board as at the end of FY2023, the following Board Skills Matrix and diversity criteria were noted:











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

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

Accordingly, the combination of skills, talents and experience of the Directors are sufficiently diverse 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 Board composition as at the end of FY2023, the Company has met its independence and gender diversity targets.

Taking into account the nature and scope of the Group's operations, the Board, with the concurrence of the NC, is satisfied that the 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' backgrounds allows for the useful exchange of ideas and views.

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.

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 backgrounds 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.

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.

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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.

Mr. Zhang Mingao was the Non-Executive and Non-Independent Chairman of the Board as at the end of FY2023. The principal duties and responsibilities of Mr. Zhang Mingao as 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 ensuring 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 facilitating 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;
- ensuring effective communication with the Shareholders; and
- assisting in ensuring the Company's compliance with corporate governance guidelines and promoting high standards of corporate governance.

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

During FY2023, the Group CEO's duties were 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.

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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 as at the end of FY2023 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;
- identifying new candidates and reviewing 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.

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The principal activities of the NC during FY2023 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 and recommended the nominations of Directors for re-election at the AGM;

c. reviewed and recommended the appointments of Directors to the Board and Board composition.

d. reviewed the size and composition of the Board and the composition of the Board Committees;

e. reviewed and assessed the independence of each Independent Director;

f. reviewed and assessed the independence of the previous Independent Director who had served on the Board beyond nine years from the date of his first appointment;

g. reviewed and assessed the Company's targets to achieve diversity on its Board, its accompanying plans and timelines for achieving these targets, including how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the Company for the purpose of disclosure in its annual report in accordance with Rule 710A(2) of the Listing Manual; and

h. reviewed and assessed 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

CORPORATE GOVERNANCE **REPORT**

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.

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 chief executive officer ("**Two-Tiered Voting**").

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. Shareholders had at the Company's AGM for financial year ended 31 December 2021 held on 27 April 2022, 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 had 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 FY2023. In the spirit of good corporate governance, Mr. Tan Sek Khee had resigned as an Independent Director of the Company and stepped down as the chairman of the RC and a member of the AC of the Company with effect from 10 August 2023.

Consequently, there are no Independent Directors who has served beyond nine years since the date of his or her first appointment.

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 Ms. Wang Yun, Mr. Vincent Loh and Mr. Ren Chao who will be retiring at the forthcoming AGM pursuant to Article 90 of the Company's Constitution and Mr. Chen Guodong who will be retiring at the forthcoming AGM pursuant to 106 of the Company's Constitution.

Ms. Wang Yun, Mr. Ren Chao, Mr. Vincent Loh and Mr. Chen Guodong 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) Ms. Wang Yun will, upon re-election as a Director, remain as the Non-Executive and Non-Independent Chairman of the Company and members of the AC and the RMC.

CORPORATE GOVERNANCE **REPORT**

(ii) Mr. Ren Chao will, upon re-election as a Director, remain as an Executive Director of the Company and a member of the NC, and Acting CEO of the Group.

(iii) Mr. Vincent Loh will, upon re-election as a Director, remain as an Independent Director of the Company and the Chairman of the RC, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(iv) Mr. Chen Guodong will, upon re-election as a Director, remain as an Independent Director of the Company and members of the NC and the RC, 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 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.

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. Vincent Loh, Mr. Chen Guodong and Ms. Ma Jieyu, concluded that they are independent and free from any relationships outlined in the Code and the Listing Manual.

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

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 duties as Director, taking into consideration the listed company directorships and other principal commitments of each Director.

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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 as disclosed under provision 1.5 above. 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 as at the end of FY2023 in other listed companies as at the date of this Report 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 / 27 April 2023	- China Aircraft Leasing Group Holdings Limited [2]	- China Everbright Limited [2] - Everbright Jiabao Co., Ltd. [3]
Yang Haishan (Non-Executive and Non-Independent Director)	5 June 2020 / 29 April 2021	NIL	NIL
Wang Yun (Non-Executive and Non-Independent Director)	14 July 2023 / Not applicable	- China Everbright Limited [2] - China Aircraft Leasing Group Holdings Limited [2]	- Everbright Grand China Assets Limited [2]
Jack Chia (Lead Independent Director)	27 July 2018 / 27 April 2023	- mm2 Asia Ltd. - CDW Holding Limited - CFM Holdings Limited	- China Shenshan Orchard Holdings Co. Ltd.[4]
Vincent Loh (Independent Director)	10 August 2023 / Not applicable	NIL	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.

Taking into account the assessment criteria set out above, the NC was satisfied that Mr. Zhang Mingao, Ms. Wang Yun and Mr. Jack Chia who held concurrent directorship in other listed companies had been able to, devote sufficient time and attention to the affairs of the Group and diligently and adequately discharge their duties for FY2023.

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.

CORPORATE GOVERNANCE **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 Committee 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 FY2023, 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 the 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 FY2023, 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 **REPORT**

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 provide 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 as at the end of FY2023 is set out below:

Mr. Vincent Loh (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;

CORPORATE GOVERNANCE **REPORT**

- 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;
- 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 FY2023 are summarised below:

a. reviewed and recommended 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 Shareholder of the Company (if any) for the financial year under review;

c. reviewed and recommended Directors' fees for FY2023; 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.

Provisions 6.3 and 6.4 – Remuneration framework and engagement of remuneration consultants, if any

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 FY2023, 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 FY2023.

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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 are 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 are 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, Dr. Yang Haishan and Ms. Wang Yun have voluntarily relinquished their Directors' fees since 1 April 2021, 21 December 2021, 1 January 2022 and 14 July 2023 respectively.

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

The remuneration of the Directors for FY2023 is as follows:

	SALARY / DIRECTOR'S FEES	BONUS	SHARE OPTIONS	SHARE-BASED INCENTIVES	TOTAL
	%	%	%	%	%
Below $250,000					
Zhang Mingao [1]	–	–	–	–	–
Wang Yun [1]	–	–	–	–	–
Wang Hongyang [2]	–	–	–	–	–
Yang Haishan [1]	–	–	–	–	–
Jack Chia	100	–	–	–	100
Chen Guodong	100	–	–	–	100
Ma Jieyu	100	–	–	–	100
Vincent Loh	100	–	–	–	100
Tan Sek Khee [3]	100	–	–	–	100

Note:

(1) As set out under "Remuneration of Non-Executive Directors" above, Mr. Zhang Mingao, Mr. Wang Hongyang, Dr. Yang Haishan and Ms. Wang Yun have voluntarily relinquished their Directors' fees with effect from 1 April 2021, 21 December 2021, 1 January 2022 and 14 July 2023 respectively.

(2) Mr. Wang Hongyang resigned as a Non-Executive and Non-Independent Director of the Company with effect from 17 May 2023. Following his resignation, he stepped down as members of the AC and the RMC.

(3) Mr. Tan Sek Khee resigned as an Independent Director of the Company with effect from 10 August 2023. Following his resignation, he stepped down as the chairman of the RC and a member of the AC.

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The remuneration band of the top five key management personnel (in terms of remuneration) for FY2023 is as follows:

	SALARY AND BONUS	SHARE OPTIONS	SHARE-BASED INCENTIVES
	%	%	%
Below S$250,000			
Ren Chao	100	–	–
Kooi Wei Boon	100	–	–
Zhang Hanqiu	100	–	–
Qu Minli	100	–	–
Tian Ye	100	–	–

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 FY2023 is S$1,020,262.

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 FY2023.

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 actions. Risk assessment and control issues are communicated to employees.

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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.

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 as at the end of FY2023 is set out below:

Mr. Jack Chia (Lead Independent Director)	- RMC Chairman
Ms. Wang Yun (Non-Executive and Non-Independent Director)	- RMC member
Ms. 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;

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- 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 FY2023 are summarised below:

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

b. received and reviewed the internal audit plan;

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

d. reviewed and assessed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems for FY2022.

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 FY2023 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 FY2023.

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 have 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.

Provision 9.1 – Risks relating to Sanctions Law

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.

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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

The Group CEO's duties have been temporarily undertaken by Dr. Yang Haishan, a Non-Executive and Non-Independent Director of the Company during FY2023.

In addition, the Company had received the written assurance from Ms. Peng Jianhua, the Head of Human Resource that as at 31 December 2023:-

(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.

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 2023:-

(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 2023 to meet the needs of the Group, taking into account the nature and scope of its operations.

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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 as at the end of FY2023 is set out below:

Mr. Jack Chia (Lead Independent Director)	- AC Chairman
Ms. Ma Jieyu (Independent Director)	- AC member
Ms. Wang Yun (Non-Executive and Non-Independent Director)	- AC member

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. Ms. Ma Jieyu has accumulated several years of professional experience and knowledge working in various financial institutions. Ms. Wang Yun has over 20 years of experience in audit, investment, accounting and finance and is a non-practicing member of the Chinese Institute of Certified Public Accountants and holds the qualification of Senior Accountant in China. 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;

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- 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
- 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 FY2023, the AC has met at least once with the internal auditors and CLA Global TS Public Accounting Corporation (**"CLA Global TS**" or "**External Auditors**") separately, without the presence of Management to review any matter that might be raised.

In the review of the financial statements for FY2023, the AC had discussed with Management and the External Auditors on changes to accounting standards and significant issues and assumptions that impact the Group's financial statements. The most significant matters were also included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". In assessing the Key Audit Matters, the AC took into consideration the approach and the key assumptions applied in the review of the Key Audit Matters as provided in the Independent Auditor's Report. The AC concluded that management's accounting treatment and estimates in the Key Audit Matters were appropriate.

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The aggregate amount of fees paid to the External Auditors for FY2023 is S$313,000 and there were no fees paid for non-audit services. Pursuant to their annual review of the independence of CLA Global TS, the AC is also satisfied with the External Auditors' independence for FY2023.

Having considered the Audit Quality Indicators Disclosure Framework published by the ACRA, the AC has recommended to the Board the re-appointment of CLA Global TS as the Company's External Auditors for the ensuing year at the forthcoming AGM. The current audit engagement director assigned to the audit, Ms. Meriana Ang Mei Ling, has been subject to the Practice Monitoring Programme review by the ACRA and has passed the latest review.

The Board and the AC, having reviewed the adequacy of the resources and experience of CLA Global TS, the audit engagement directors assigned to the audit, CLA Global TS'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. CLA Global TS and the audit engagement director have experience auditing SGX-listed companies.

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 FY2023 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 External 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;

e. recommended to the Board for re-appointment of CLA Global TS 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; and

k. reviewed the Group's budget for FY2024 and recommended the same to the Board for approval.

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Whistle blowing (Rule 1207(18A) and (18B) of the Listing Manual)

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 in FY2023) 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.

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.

CORPORATE GOVERNANCE **REPORT**

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 Chongqing Kanghua Certified Public Accountants ("**CPAs**") LLP ("**Kanghua**"), the largest local CPAs firm in Chongqing and with extensive experience in undertaking audit engagements in similar industries and size of operations, which reports directly to the AC. Kanghua is guided by the standards set nationally or internationally recognised professional bodies. The internal audit engagement team of Kanghua assigned to the Company consists of five (5) professionals with technical expertise in accounting, auditing and internal control, which include Chinese CPAs and Senior Professional Accountants. There were no relationships or conflicts of interest of any member of the internal audit engagement team that could impair his/her objectivity and independence in performing the internal audit functions of the Company.

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 has at least 15 years of experience in internal audit to oversee the Group's internal audit function, including coordinating with Kanghua 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 FY2023, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE **REPORT**

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 held between 2020 and 2023

To minimise the spread of COVID-19 transmission, 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) ("**Alternative Arrangements Order**") came into force in 2020. The Alternative Arrangements Order provides for alternative arrangements for, amongst others, listed companies in Singapore to hold their general meetings other than physical means.

The Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation ("**SGX RegCo**") had jointly issued an Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period and checklist, which was based on the Alternative Arrangements Order and as updated from

CORPORATE GOVERNANCE **REPORT**

time to time ("**Joint Checklist**"). Such legislation allows entities to hold general meetings via electronic means amid the COVID-19 situation.

Consequently, the Company had held its AGM for the financial years ended 31 December 2019, 2020, 2021, 2022 ("**FY2019 to FY2022 AGMs**") 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**") by way of electronic means/virtual-only format pursuant to the Alternative Arrangements Order and the Joint Checklist.

Notwithstanding that Shareholders were not allowed to attend the FY2019 to FY2022 AGMs and the EGM 2022 in person, alternative arrangements had been put in place to allow 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. 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 Board and Management also addressed all relevant and substantial questions and published its responses to those questions on the Company's website and SGXNET at least 48 hours prior to the closing date and time for the lodgement of the proxy forms, if any. As required under the Alternative Arrangements Order and the Joint Checklist, the Company had published its minutes of FY2019 to FY2022 AGMs 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 Alternative Arrangements Order ceased on 1 July 2023.

AGM for FY2023

Following the legislative amendments and taking into account the SGX guidance, the forthcoming AGM in respect of FY2023 will be held in a wholly physical format at Ballroom 1, Level 6, One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 on Tuesday, 30 April 2024 at 2.00 p.m. and there will be no option for Shareholders to participate virtually. Shareholders will be able to raise questions and vote in person at the AGM.

Arrangements relating to attendance at the forthcoming AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM, and voting at the AGM by Shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM. Such Notice of AGM for FY2023 are dispatched to Shareholders, together with explanatory notes at least 14 clear days before the AGM for FY2023 for ordinary resolutions to be passed. The Notice of AGM for FY2023 is also advertised in a national newspaper in Singapore.

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 2024 informed that it has not recommended any dividend. No dividend was declared for FY2023 as the Group 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 **REPORT**

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 **REPORT**

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 FY2023, 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 **REPORT**

Based on Rule 907 of the Listing Manual, the IPTs for FY2023 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)	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	RMB'000
EBA (Shanghai) Commercial Management Co., Ltd. Management fees and related costs charged by an associate of controlling shareholder	Controlling shareholder	6,533	–
China Everbright Finance Limited (1) Loan interest charged by a subsidiary of controlling shareholder	Controlling shareholder	27,714	–
Sub-total		**34,247**	**–**
Everbright Hero Holdings Limited (2) Distribution on perpetual convertible securities payable to controlling shareholder	Controlling shareholder	36,086	–
Total		**70,333**	**–**

Note:

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

(2) 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 FY2023 was RMB34.25 million, which represents 1.68% of the Group's latest audited net tangible assets for FY2022, 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 FY2023, 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 2023 ("**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 Report summarizes Ying Li's sustainability performance from 1 January 2023 and 31 December 2023 (the "**Reporting Period**"). To ensure the completeness and comparability of the Report, it also includes events that occurred prior to the Reporting Period. The Report encompasses 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.

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**

RESTATEMENT

The scope 3 greenhouse gas ("**GHG**") emissions for 2022 have been restated due to the updated calculation methodology in 2023. To ensure consistency and comparability, the calculation methodology of scope 3 GHG emissions for 2022 has been updated to align with the approach used in 2023. Meanwhile, the natural gas consumption in 2022 has also been restated to align with the reporting boundary. As a result, the total GHG emissions and intensity are lower than previously reported.

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.

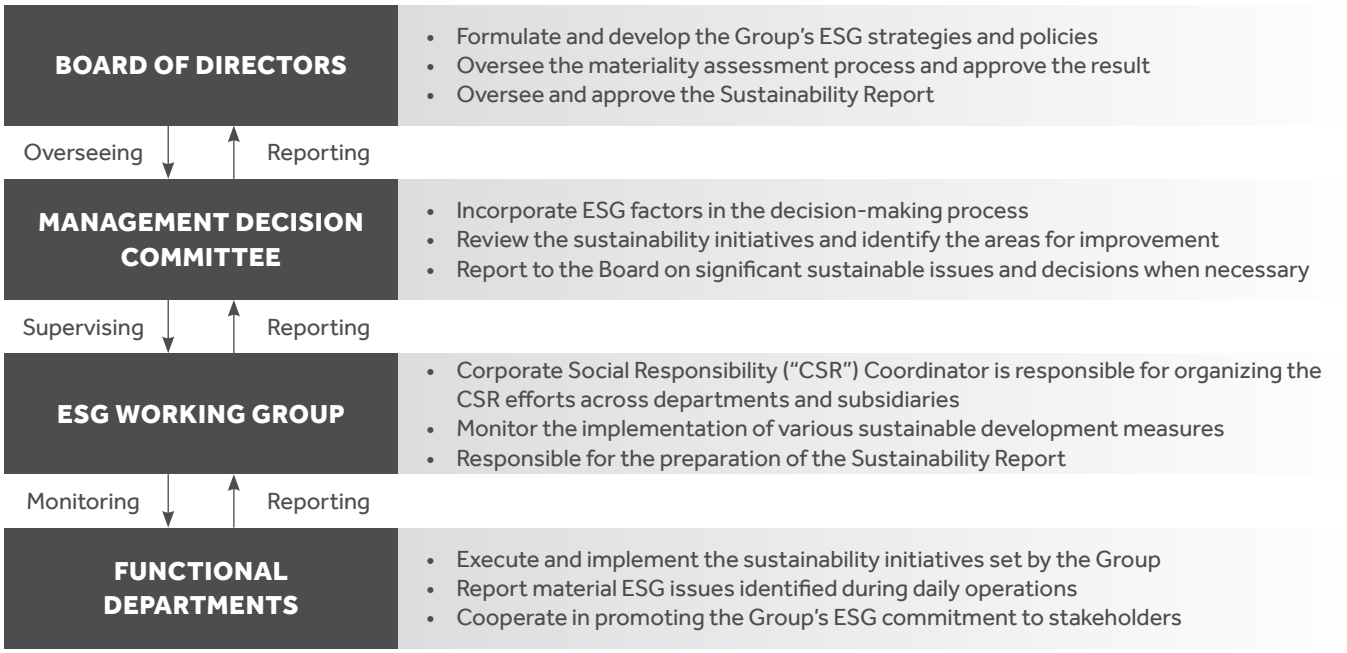
Our AR and SR are accessible through our corporate website: https://www.yingligj.com/ar.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

An effective and robust corporate governance structure is crucial to our business success. It promotes and safeguards the interests of shareholders and attracts new stakeholders. Ying Li is committed to continuously strengthening and optimizing the sustainability framework of the Group, ensuring it maintains the Group's credibility and reputation.

Based on our Organisation Structure and Employee Responsibilities Policy (组织架构及岗位职责汇编), the Group has established the sustainability governance structure with the Board being the core of leadership, which is supported by the Management Decision Committee (管理决策委员会) and the ESG Working Group to promote Ying Li's sustainability initiatives and commitments from a top-down approach. As the highest governance body of the Group, the Board is responsible for leading and supervising the Group's sustainability strategies to ensure they act in the best interests of the Company and its stakeholders, as well as reviewing and monitoring corporate policies and strategies. In facilitating an effective sustainable management and governance, relevant sustainability-related criteria and key performance indicators have been included in the performance appraisal of the Senior Management and Executives, which is directly relating to the remuneration assessment.



SUSTAINABILITY **REPORT**

STAKEHOLDER ENGAGEMENT

Ying Li truly understands that feedback from stakeholders is valuable to our business development as well as sustainability performance. Therefore, we have set up various 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 their 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 ASSESSMENT

The Group acknowledges and values stakeholders' concerns and expectations over the Group's ESG issues. In the Reporting Period, the Group engaged a professional independent third-party consultant to perform a comprehensive materiality assessment, aiming to prioritize and identify key material issues of the Group. The materiality assessment is overseen by the Group to serve as a solid foundation for the development of the Report. We are committed to aligning our responses and disclosures with the critical concerns raised by our stakeholders. Additionally, the assessment serves as an invaluable reference point for the Group to review and formulate a robust sustainability strategy that meets and exceeds stakeholders' expectations.

The aspect boundaries "within" the organisation refer to business units and varying levels of seniority of Ying Li and its subsidiaries, whereas the aspect boundaries "outside" the organisation include builders and suppliers, customers, regulatory authorities, industry associations, Non-governmental Organisations ("**NGOs**"), shareholders and investors.

The procedure taken to perform the materiality assessment is outlined below:

IDENTIFY

Identifying material ESG Issues

In line with the GRI Standards, the international trends and information from peer benchmarking, we identified a total of 21 ESG issues from different aspects related to the Group's operations and relevant information was collected for the assessment of importance.

RATE

Rating the significance

The actual and potential impacts from the identified ESG issues are determined through an online questionnaire, covering internal and external stakeholders to gather their insights into the significance of ESG issues and their associated impacts. The feedback collected is used to perform an assessment to prioritize material ESG issues.

PRIORITISE

Prioritizing material issues

By considering the specific interests and priorities of each stakeholder, an assessment is performed to determine the importance of ESG issues based on two key dimensions: "importance to stakeholders" and "relevance to the Group". A materiality matrix is developed to provide a comprehensive overview of the prioritization of material issues.

VALIDATE

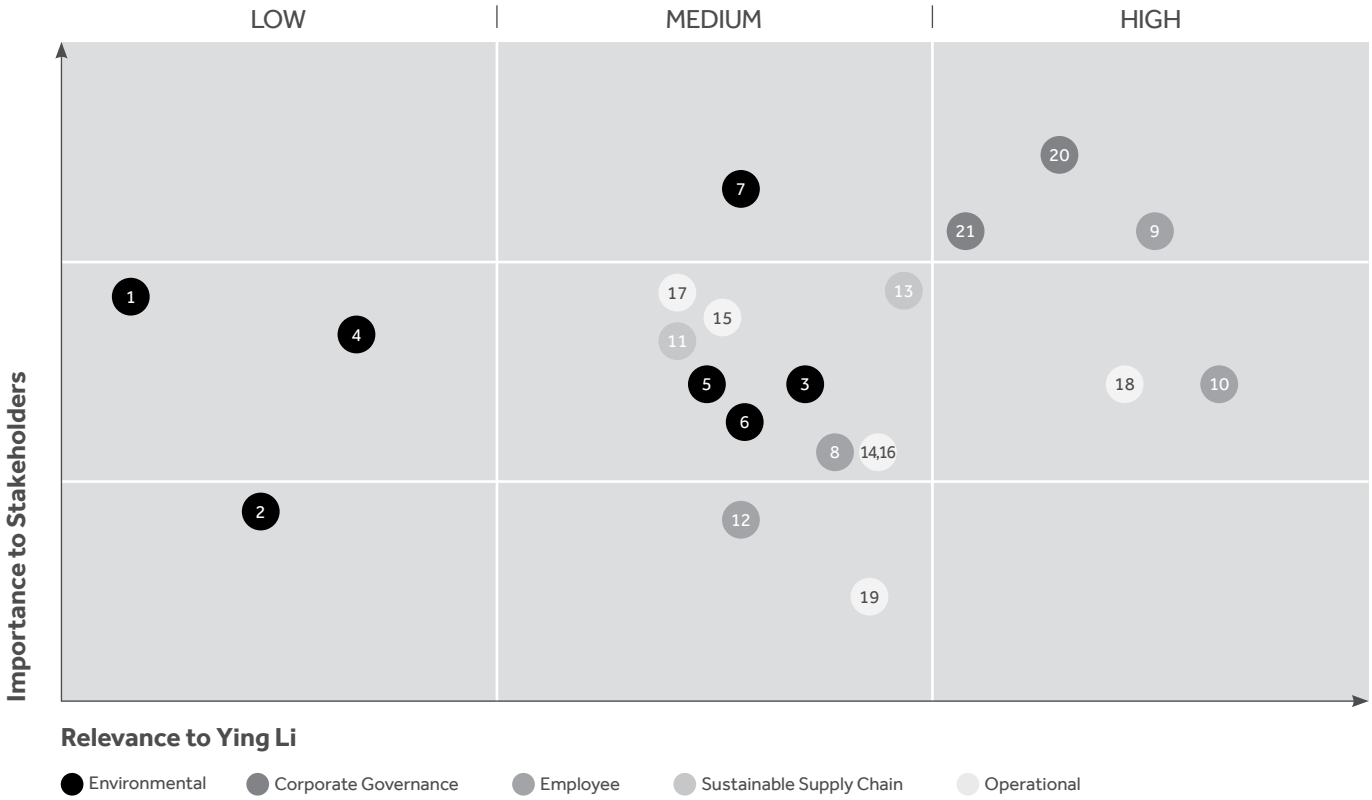
Validating the result

The result of the materiality assessment is then reviewed and approved by the Board, which serve as a crucial reference for the disclosures in the Report and long-term sustainability strategy development.

In the Reporting Period, the Group has identified 21 material issues related to our business operations and developed the materiality matrix.

SUSTAINABILITY **REPORT**

2023 YING LI ESG FACTORS MATERIALITY MATRIX



MATERIALITY	NO.	ESG FACTORS	TOPICS
High	9	Compliance Employment *	Employee
	20	Business Ethics and Anti-Corruption *	Corporate Governance
	21	Corporate Governance and Risk Management *	Corporate Governance
Medium	3	Energy-saving Design	Environmental
	5	Energy Efficiency	Environmental
	6	Water Conservation	Environmental
	7	Waste Management *	Environmental
	8	Employee Remuneration and Benefits *	Employee
	10	Occupational Safety and Health *	Employee
	11	Skills Competency and Employee Training	Employee
	13	Responsible Supply Chain	Sustainable Supply Chain
	14	Managing Building Contractors	Sustainable Supply Chain
	15	Green Leasing *	Operational
	16	Product and Service Quality *	Operational
	17	Marketing and Promotion *	Operational
	18	Customer Privacy Protection *	Operational
Low	1	Climate-related Risk and Opportunities *	Environmental
	2	Green Construction	Environmental
	4	Managing Our Carbon Footprint	Environmental
	12	Employee Diversity and Inclusion	Employee
	19	Community Engagement and Social Welfare *	Operational

* Newly added material issues in 2023

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. By prioritizing ESG matters, the Group seeks to mitigate risks, seize opportunities, and promote long-term value creation.

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

GREEN DEVELOPMENT

We strive to promote low-carbon and green business operation, focusing on energy transformation and the implementation of energy-efficient designs to reduce our carbon footprint.

OPERATIONAL SAFETY

We place strong emphasize on the health and safety of our employees and contractors, implementing stringent safety measures and protocols, ensuring regular monitoring and compliance to minimize the risk of work-related injuries.

ENVIRONMENTAL SUSTAINABILITY

We ensure that our business operations and development have minimal adverse impact on the environment. We prioritize sustainability by adopting measures related to energy use, water use, waste management, and climate change.

EMPLOYEE MOTIVATION

We value the well-being, growth, and development of our employees. We are committed to creating a safe, inclusive, and harmonious workplace environment. Furthermore, we emphasize talent cultivation and development to provide opportunities for skill enhancement.

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**

SUSTAINABILITY TARGETS

We have set up sustainability goals for Ying Li below, according to the identified ESG factors with "High" or "Medium" materiality. Relevant ESG performance data are available in Appendix A: Sustainability Scorecard.

MATERIAL FACTORS	SHORT-TERM TARGET	LONG-TERM TARGET	VALUE CREATED
Energy-saving Design	To introduce energy-saving intelligent transformation project.	To prioritise energy-saving designs in our projects.	• Maximised energy-saving starting from the design stage by seeking Leadership in Energy and Environment Design ("**LEED**") certification for our portfolio as far as practicable.
Energy Efficiency	To introduce energy-saving intelligent transformation project.	To adopt energy-saving installations and enforce energy-saving policies within the offices, malls and development projects.	• Installed intelligent energy-saving control system to reduce energy consumption.
Water Conservation	To reduce the water consumption within office areas and managed properties.	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.
Waste Management	To reduce waste generation and improve waste diversion.		• Adhere to the local regulations on waste segregation, collection, and disposal. • Promote reduce, reuse and recycle in offices and managed properties.
Compliance Employment	To avoid violations of employment-related laws and regulations.		• No confirmed case of non-compliance in relation to labour standards in the Reporting Period.
Employee Remuneration and Benefits	To ensure 100% employees have conducted performance review.	To improve employee retention rate and conduct performance appraisals annually.	• Established robust mechanisms to review employee benefits. • 100% of employees were subjected to performance appraisal in the Reporting Period.

SUSTAINABILITY **REPORT**

MATERIAL FACTORS	SHORT-TERM TARGET	LONG-TERM TARGET	VALUE CREATED
Occupational Safety and Health	To avoid work-related employee injuries and fatalities.		• Established a comprehensive safety production mechanism to ensure the highest safety standard is applied. • Zero work-related employee injuries and fatalities in the Reporting Period.
Skills Competency and Employee Training	To ensure all employees received training courses in raising their skills competency.	To provide a wide range of training types to enhance employee competency.	• Procedures in place for setting up internal trainings, subsidies available for external trainings.
Green Leasing	To promote sustainability practices in tenants	To establish formal tenant engagement to collaboratively enhance ESG performance.	• Raise awareness of tenants by promoting sustainability and the Group's environmental initiatives.
Product and Service Quality	To ensure zero violations of construction-related laws and regulations.		• Employed project management system from pre-construction to post-construction to ensure the construction is high-standard. • Zero violations of construction-related laws and regulations in the Reporting Period.
Marketing and Promotion	To ensure zero violations of marketing laws and regulations.		• Established the Compendium of Asset Sales Management Systems (资产销售管理制度汇编) for responsible marketing. • Zero violations of marketing laws and regulations in the Reporting Period.
Customer Privacy Protection	To maintain zero information security incidents.		• Implemented stringent guidelines to standardize the management of confidentiality for the Group's materials and information. • Zero information security incidents in the Reporting Period.
Responsible Supply Chain	To promote and monitor sustainable practices of suppliers.	To prioritise environmentally and socially responsible suppliers.	• Established strict guidelines as part of our supplier management to ensure the quality of their products and services.

SUSTAINABILITY **REPORT**

MATERIAL FACTORS	SHORT-TERM TARGET	LONG-TERM TARGET	VALUE CREATED
Managing Building Contractors	To ensure subcontractors strictly follow the Construction Management Policy and related laws and regulations.	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.
Business Ethics and Anti-Corruption	To maintain zero corruption cases and no violations of business compliance.		• Implemented clear guidelines for a robust internal control system and for the employees to understand the importance of business integrity.
Corporate Governance and Risk Management	To ensure strong adherence to corporate governance and risk management practices.		• Set up and regularly review the "three lines of defense" mechanism for risk management.

SUSTAINABILITY **REPORT**

ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

Ying Li is committed to supporting Sustainable Development Goals ("**SDGs**") initiated by the United Nations. We strive to create value in four areas, including our environment, people, community and supply chain, aligning our contributions to SDGs in demonstrating our efforts towards creating a more sustainable future.

	CORRSPONDING SDGS	OUR ESG CONTRIBUTIONS
Our Environment	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	• Promote green and low-carbon transformation that strive to enhance energy efficiency • Implement high energy-efficient designs into our building design plans in contributing to more sustainable buildings • Raise the environmental awareness among our employees and tenants
Our People	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• Behave ethically and endeavour to improve the quality of life of the employees, their families as well as the society • Respect human rights and provide a fair, healthy and safe working environment
Our Community	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	• Encourage employees to participate in volunteer services to create a positive impact to our society • Facilitate rural revitalization such as industry support, investment attraction, talent training, and consumer assistance to promote the economic growth and living standards in rural areas
Our Supply Chain	11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	• Promote sustainable practices to our suppliers and contractors to facilitate their participation in creating a sustainable city • Ensure our suppliers and contractors are strictly abide by regulations including labour rights, environmental protection and business ethics

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 practice 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

OUR RESPONSIBLE BUSINESS PRACTICE

BUSINESS ETHICS AND INTEGRITY

The Group places great importance on business ethics and integrity, recognizing them as the foundation of our business operations. We are committed to continuously improving our compliance structure and governance, focusing on achieving and maintaining a high-quality Board of Directors, sound risk management and internal control, and high transparency and accountability to shareholders. At Ying Li, we firmly believe that strict compliance and ethically responsible practices are essential for sustainable long-term business growth. By adhering to these principles, we build trust with our shareholders, customers, and other stakeholders, leading to a strong and resilient business model.

The Group strictly abides by relevant laws and regulations pertaining to compliance operations, environmental protection, employment, occupational health, product liability, consumer rights protection, advertising, etc. To strengthen our compliance management capacity and foster a robust internal control system, we have implemented the *Non-compliance Accountability Manual* (*违规问责办法*). This manual serves as a clear guideline for investigating, examining, and holding individuals accountable for actions that violate either our Group's policies or national regulations, ensuring that all employees recognize the importance and significance of business compliance and integrity.

During the Reporting Period, no violations of compliance were reported. The Group will continue to closely monitor the most recent developments in the legal and regulatory environment, collaborating with different professional parties and departments to strengthen our internal corporate governance framework.

SUSTAINABILITY **REPORT**

RISK MANAGEMENT

The Group adheres to the *Company Law of the People's Republic of China (the "**PRC**")*, the Listing Manual of the Singapore Exchange Securities Trading Limited, and other relevant laws and regulations, and has established a comprehensive risk management framework. The Board, being the ultimate governance body, is responsible for reviewing and approving the Group's risk management initiatives and strategies, safeguarding stakeholders' and shareholders' interests, and governing the effective risk management mechanism.

The Group places a high value on the construction of a robust risk management system, which operates on the foundation of a "decision-making – supervision – execution" mechanism. Supporting the Board, the Risk Management Committee assumes the crucial role of overseeing and advising the Board on the current risk exposures, risk tolerance and overall risk strategy of the Group, while regularly reviewing and monitoring the effectiveness of the risk management mechanism.

At the supervision level, a dedicated working group consisting of the Compliance and Risk Control Department and the Legal Department is responsible for building the risk management system and guiding and supervising the implementation of risk management measures in frontline business departments. They assist functional departments in assessing decisions that are considered to have significant impacts and risks to the Group. Responsibility for implementing the Group's risk management measures and monitoring day-to-day operations lies with the functional departments and business units.

SUSTAINABILITY **REPORT**

ANTI-CORRUPTION

As a member of *China Enterprise Anti-Fraud Alliance*, the Group strictly complies with the *Anti-Unfair Competition Law of the PRC*, the *Anti-Corruption Regulation of Singapore* and other applicable policies and regulations in opposing and preventing all forms of corruption, bribery, extortion, fraud, and money laundering. The Group has established the *Integrity Risk Prevention and Control Manual for Key Positions in Focus Area* (重点领域关键岗位廉洁风险防控手册) to articulate the business compliance requirements and guidance in preventing corruption in key areas, such as investment affairs, asset operation, project tendering process and financial management. The Group is committed to maintaining high ethical standards, professionalism and integrity, upholding the culture of adopting a zero-tolerance attitude towards fraud and corruption.

In 2023, the Group has established a robust anti-corruption mechanism in construction of an integral corruption risk control system, with the following key features:

LEADERSHIP MECHANISM

The Board, as the highest governing body, is responsible for overseeing the Group's corruption risk prevention mechanism, whereas the department heads of functional units bear the primary responsibility for managing integrity risk control. Department heads are expected to closely monitor the execution of anti-corruption and anti-fraud measures and promptly report any suspicious case. To facilitate the cultivation of an anti-corruption culture, the Group has established the Integrity Risk Prevention Task Force (廉洁风险专项防范小组), comprising members from the CEO Office, Internal Audit, Compliance and Risk Control, Legal and Human Resources, etc. The Integrity Risk Prevention Task Force aims to foster the examination of integrity risks and develop innovative initiatives to monitor and promote an effective integrity risk control mechanism.

"THREE LINES OF DEFENSE" WORKING MECHANISM

By building the "three lines of defense" risk management and control mechanism, the Group has taken significant steps towards creating a corruption-free working environment through the collective efforts of the entire Group. The frontline business departments act as the first line of defense in executing corruption risk management controls and reporting the identified risk information for conducting necessary assessment and evaluation. Next, the Compliance and Risk Control Department and Legal Department work in close coordination to assist, coordinate and monitor the implementation of various anti-corruption control measures across the business units. Lastly, CEO Office and Internal Audit Department serve as the final line of defense to safeguard the Group's risk exposure towards fraud and corruption, overseeing the effective operation of the internal control mechanism and continuously identifying potential fraud.

SUSTAINABILITY **REPORT**

TRAINING AND MONITORING

9
Number of trainings

100%
Percentage of employees received trainings

The Group understands the importance of enhancing anti-corruption awareness towards our senior management and employees in cultivating integrity in our business culture. The Group strives to pay close attention to identify potential risks at all levels and adopts early remedy actions. During the Reporting Period, the Group carried out several trainings related to integrity and anti-corruption to foster a collective commitment, for example, Governance and Discipline Inspection Work Conference.

To maintain the high standard of ethical conduct and enforce a zero-tolerance approach for fraudulent activities, the Group has formulated the whistle blowing policy and procedure that outlines the steps for a whistle blower to make a report on any identified and suspicious case. All reports received will be thoroughly investigated and treated with utmost confidentiality. The Group is committed to protecting whistle-blowers from any detrimental or unfair treatment, emphasizing that employees who report concerns in good faith will be shielded from possible retaliation. The evaluation, investigation and assessment of complaints shall be carried out by the Audit Committee. Upon the investigation, the Audit Committee will determine appropriate actions to be taken and may recommend disciplinary or remedial measures as necessary. By ensuring transparency, confidentiality, and protection for whistle-blowers, our Group upholds its commitment to foster a culture of ethical behavior.

YING LI REPORTING CHANNELS:

Reporting Email
ceo@yingligj.com

Mailing Address
Room 08, Level 35, Ying Li International Financial Centre, No. 28 Minquan Road, Yuzhong District, Chongqing 400010, China

In 2023, 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 or trial concluded towards the Group or its employees.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The intellectual property rights ("**IPR**") of Ying Li is fundamental to our business. We are committed to safeguarding our IPR, such as trademarks, copyrights, designs and patents, through appropriate registration processes and ensuring compliance with relevant laws and regulations, including the Patent Law of the PRC, the Copyright Law of the PRC, the Trademark Law of the PRC and other laws and regulations. To reinforce our commitment, we have developed stringent rules that govern the protection of our IPR, while explicitly prohibiting any form of infringement on third-party intellectual property. Necessary actions will be taken in case of any identified potential infringement. By upholding our commitment to IPR protection, we aim to foster an environment that encourages innovation and creativity.

SUSTAINABILITY **REPORT**

OUR ENVIRONMENT

Ying Li has a strong reputation for innovative designs 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.

LAW COMPLIANCE

Ying Li recognizes the importance of protecting our environment and practises the green and low-carbon development and operation philosophy. Our organization takes proactive measures to address climate change by incorporating carbon reduction strategies into our design planning and operational practices. We are fully dedicated to protecting and enhancing the environment, preventing pollution, mitigating public hazards, preserving public health, and fostering ecological conservation.

To ensure compliance with relevant regulations, Ying Li places great importance on adhering to key laws and regulations, including but not limited to:

- 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

In 2023, there was no confirmed case of non-compliance in relation to environmental protection that would have a significant impact on the Group.

SUSTAINABILITY **REPORT**

RESPONSE TO 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.

Governance

The Board of Directors of Ying Li assumes the ultimate responsibility for risks and opportunities related to climate change. They maintain oversight of the strategic risk management. In support of the Board, our ESG working group is responsible for supervising ESG management work comprehensively, including climate risk identification, assessment and management. Additionally, the ESG working group plays a crucial role in formulating sustainable development strategies and policies, specifically addressing climate change. They monitor the implementation of these strategies across all our business units to ensure alignment and progress towards our carbon targets.

We will continue to refine our ESG management mechanism, and improve our governance of sustainable development. By strengthening our ESG governance, we aim to align our business strategies with responsible and sustainable practices, while effectively managing climate-related risks and opportunities.

Strategy

We understand the importance of maintaining resilience in the face of climate-related risks, and are devoted to implementing measures that adapt to and mitigate the impacts of climate change. To effectively manage these risks, we adopt the following approach:

- Identifying climate risks and opportunities: We conduct thorough assessments to identify the potential impacts of climate change on our portfolio, understand the risks posed by physical climate events, regulatory changes, and market trends, as well as recognize opportunities presented by new technologies and sustainable practices.

- Formulating mitigating actions: In response to the identified climate-related impacts, we develop and implement appropriate mitigating actions. For example, we actively monitor and manage the energy consumption and emissions associated with the entire life cycle of our projects. By adopting energy-efficient technologies and implementing sustainable practices, we strive to minimize our environmental impact and reduce carbon emissions.

- Collaborating with stakeholders: We recognize the importance of collaboration with internal and external stakeholders in driving sustainable initiatives. We actively engage with our employees, suppliers and tenants to launch green initiatives focused on energy efficiency, emissions reduction, water conservation, and waste management.

SUSTAINABILITY **REPORT**

Risk Management

We have conducted a climate change risk assessment with reference to the TCFD recommendations by analysing the potential impacts on different business sectors and develop solutions to mitigate and adapt to climate change.

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

RISK TYPE	RISK	RISK DESCRIPTION	RISK IMPACT	RISK MANAGEMENT
Transition Risks	Policy and Legal	Tightened requirements and regulations on building energy efficiency and green building standards	• Increased capital expenditures in construction and operations. • Increased risk of non-compliance with stricter standards.	• We pay close attention to the ever-changing regulations related to climate change in China and Singapore to reduce the non-compliance risks. • We actively engaged a third-party consultant in assisting the Group to develop the sustainability report to ensure we meet all disclosure requirements. • We work closely with our tenants in managed properties in the collection of environmental data to strengthen our ESG data management. • We actively explore and use low-carbon and energy-saving products.
		Implementation of carbon pricing	• Increased capital expenditures in construction materials, fuel, electricity and waste management.	
		Stricter requirements and framework on disclosure	• 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.	

SUSTAINABILITY **REPORT**

RISK TYPE	RISK	RISK DESCRIPTION	RISK IMPACT	RISK MANAGEMENT
Transition Risks (continued)	Market	Increased expectation from stakeholders	• 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 in climate risk disclosure could not meet investors' expectations.	• We maintain a proactive communication approach to understand the latest expectations of our stakeholders, ensuring the Group fully addresses their concerns over climate change.
	Technology	Stricter technical requirements for construction of new energy development are in place due to an increase in demand in renewable energy	• Increased capital expenditures in construction and operations for the procurement of new technologies. • Decreased profitability due to increase in cost of sustainable materials.	• We are dedicated to exploring low-carbon and green technologies, focusing on energy transformation to enhance energy efficiency.
Physical Risks	Acute	Increased frequency and severity of extreme weather events such as typhoons and rainstorms	• 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.	• Risks factors are considered in advance during planning and design phase to enhance the resilience to extreme weather events of our managed properties. • Emergency plan is formulated to ensure a quick response to minimize the potential loss under extreme weather events, actively conduct emergency drills, and improve safety emergency response capabilities.
	Chronic	Increase in average temperature and frequency of extreme hot days	• Increased capital expenditures for the implementation of mitigation measures required. • As the frequency of power outage increased, the government implemented restrictions on energy usage which affected our daily operation.	• Emergency plan is formulated to ensure a quick response to minimize the potential loss under the climate event.

SUSTAINABILITY **REPORT**

Metrics and Targets

Ying Li tracks and reports on our water withdrawal, waste generation, energy consumption, Scope 1, 2 and 3 GHG emission and their respective intensity at our Singapore and Chongqing offices as well as investment properties and sales properties that are under the Group's direct operational control. For further information on our performance in managing our carbon footprint and other environmental indicators, please refer Appendix A: Sustainability Scorecard. Regarding the Group's dedicated targets on carbon reduction, please refer Sustainability Targets section.

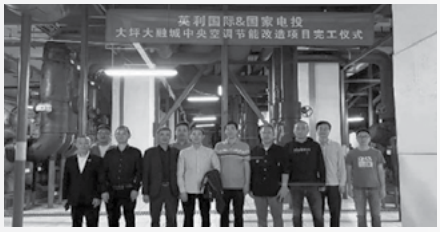
Moving forward in our sustainability journey, the Group will continue to explore more detailed procedures to ensure alignment to both TCFD recommendations and SGX's phased approach guidelines.

GHG EMISSIONS

The Group takes a proactive measure in contributing to the PRC government's goals of achieving carbon neutrality by 2060 and Singapore Green Plan 2030. In line with the national calls, we have developed a comprehensive set of action plans that aim to promote green and low-carbon transformation while enhancing energy efficiency. As GHG emissions is the main source that led to global warming and climate change, we are committed to minimising our carbon footprint by lowering GHG emissions in order to support China and Singapore in achieving carbon neutrality.

We recognize that a significant portion of our GHG emissions stems from the consumption of purchased energy, particularly electricity, within our managed properties. To address this, we have implemented significant measures and initiatives to reduce electricity consumption throughout our portfolio. 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.

To illustrate our commitment on decarbonization, we are dedicated to engaging and cooperating in energy and low-carbon transformation projects, leveraging smart technology and innovation to drive sustainable practices and achieve our decarbonization goals.



COMPREHENSIVE ENERGY TRANSFORMATION PROJECT

In 2022, the Group have cooperated with State Power Investment Corporation Chongqing Electric Power Co., Ltd (国家电投重庆电力有限公司) to enhance the central air-conditioning system in Ying Li IMIXPark.

In 2023, the "Central Air-Conditioning Energy-saving Transformation" project of Ying Li IMIX Park has been completed. The project introduced the SmartEco intelligent energy control system, achieving an energy-saving rate of approximately 16.46%, saving about 316,000 kilowatt-hours of electricity consumption, and reducing energy costs by about RMB250,000 annually. The efficient and intelligent operation of the central air-conditioning system is expected to save the equivalent of around 123 tonnes of standard coal in electricity consumption and reduce carbon dioxide emissions by approximately 315 tonnes annually.

Moving forward, the Group targets to carry out low-carbon intelligent transformation project with data and algorithm as the core driving method, seizing the huge development potential of "carbon neutrality" business and achieving the goal of green construction.

SUSTAINABILITY **REPORT**

ENERGY USAGE

Recognizing the significant impact of energy consumption on operational expenses, Ying Li considers energy-saving transformation as a vital component of its management system. By implementing energy-saving measures across various operations, the Group aims to enhance energy efficiency and reduce costs. The Group adopted energy-saving measures in different operations to improve the energy efficiency.

ENERGY-EFFICIENT DESIGN

We have implemented 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.

GREEN OFFICE

We strive to transform our workplace into a sustainable hub and optimize energy efficiency in office areas. We put up power-conserving signs in prominent places, such as offices and public areas, reminding staff to save electricity. We require the lights and equipment to be turned off when employees leave offices or public places, and we promote using energy-efficient appliances and eliminate low-efficiency, high-energy devices.

TENANT ENGAGEMENT

Posters and guidance signs are posted in all common areas, including lift lobbies and car parks, encouraging tenants and visitors to support the Group's sustainable practices, energy conservation, and other key environmental initiatives. We also provide technical advice to tenants, if required, to ensure high energy efficiency with our properties.

Ying Li has a steadfast commitment to developing sustainable and green properties. As of 31 December 2023, 22% of our investment properties have been awarded the LEED certification, highlighting our dedication to constructing and managing buildings that meet rigorous sustainability and environmental standards. Moving forward, we seek to continuously improve our sustainability strategy to pursue green building certifications and contribute to building a better environment.

SUSTAINABILITY **REPORT**

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. 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. The Safe and Civilized Construction Management Standard (安全文明施工管理标准) is also implemented to regulate wastewater discharge in our construction sites. We consistently perform inspection over our drainage systems to ensure the effective functioning of drainage and sedimentation facilities, preventing soil erosion, sewage, and wastewater from directly contaminating nearby rivers or water bodies.

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 ensure the equipment can be fixed immediately to avoid unnecessary water consumption. Besides, water-conservation guidelines and slogans are posted in common areas, including toilets to increase the awareness among employees, tenants, customers, and communities.

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.

Addressing tenant activities as a significant source of waste in our managed properties is crucial to promoting sustainability. To effectively encourage waste reduction, reusability, and recycling among tenants, we have implemented several initiatives such as providing conveniently located recycling bins throughout the properties, ensuring easy access for all 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 offices have 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 put up posters 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**

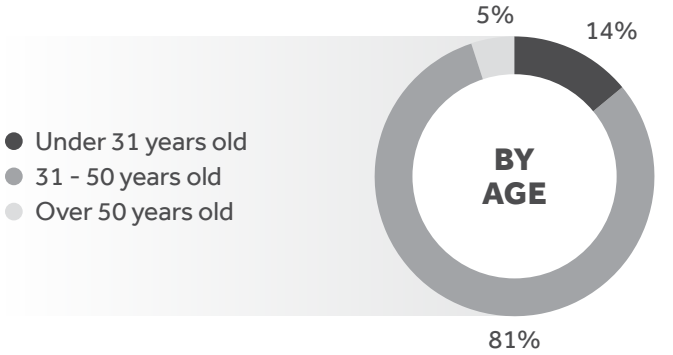
OUR PEOPLE

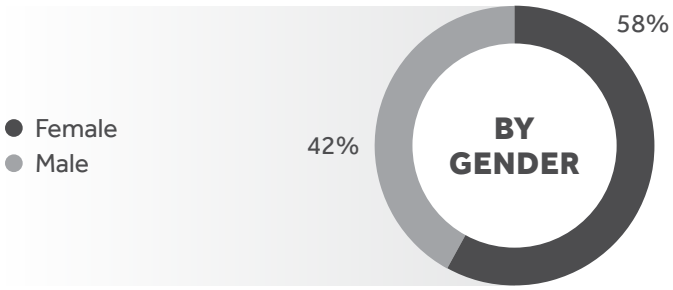
COMPLIANCE EMPLOYMENT

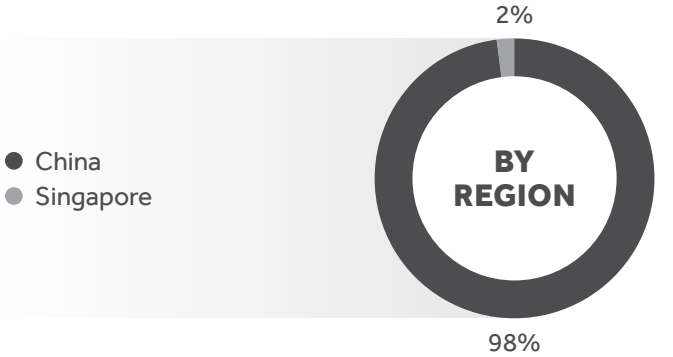
The Group understands the immense value and dedication of our employees, recognizing that their talents and commitment are crucial to the success and growth of the business. In line with this, the Group adheres strictly to the *Labour Law of the PRC*, the *Labour Contract Law of the PRC*, and the *Employment Act of Singapore*, ensuring that our employees receive appropriate employment protection and benefits. We have formulated and continuously enhanced the internal Staff Handbook, outlining our commitment to being a responsible employer, guaranteeing a fair, inclusive, safe, healthy, and productive work environment. 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 our employees are having a fair and comfortable working environment.

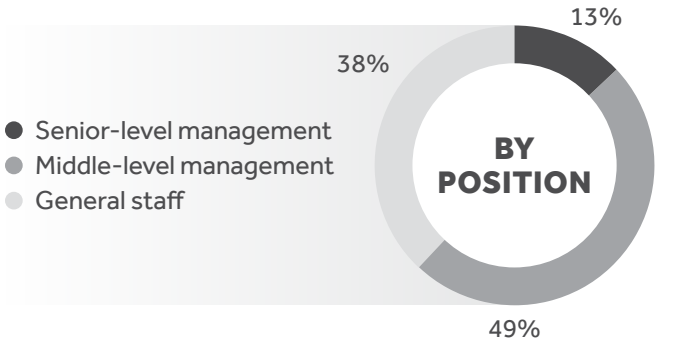
Ying Li places a high priority on upholding human rights and is committed to embodying its "People-Oriented" corporate culture by fully adhering to the applicable labor standards. We maintain a strong stance against the use of child labor and forced labor, and we firmly oppose any form of discrimination based on factors such as gender, ethnicity, region, religion, sexual orientation, etc. In 2023, there was no confirmed case of non-compliance in relation to labour standards that would have a significant impact on the Group.

As of 31 December 2023, the Group had a total of 122 employees, with a breakdown by gender, age, position and region as follows:









SUSTAINABILITY **REPORT**

TALENT RECRUITMENT AND RETENTION

Ying Li acknowledges the pivotal role of talents in our successful business development and is committed to strengthening our talent reserve. In line with this commitment, the Group has implemented a comprehensive Recruitment Management System (招聘管理制度), which provides clear guidelines to standardize our recruitment, interview, and onboarding processes. Our talent acquisition strategy prioritizes fairness, impartiality, transparency, and ensuring the best fit between individuals and job roles.

FOUR KEY RECRUITMENT PRINCIPLES

OPEN AND FAIR

In the recruitment process, we adhere to fairness and impartiality, establishing objective and fair evaluation criteria.

EQUAL AND COMPETITIVE

We strive to ensure everyone is fairly treated in job selection and eliminate any form of discrimination based on region, ethnicity, gender, or any other factors.

INTERNAL PRIORITY

We prioritize internal talent selection to fill vacant positions or create new roles, emphasizing efficient development and utilization of the Group's internal human resources.

AVOIDANCE SYSTEM

Internal employees are encouraged to recommend candidates for positions while strictly adhering to the principle of impartiality. The interview and assessment process for both the interviewer and the candidate should be devoid of any particular affiliations.

SUSTAINABILITY **REPORT**

The Group has established a robust remuneration mechanism to attract and retain talented individuals, with a commitment to offering competitive and fair compensation packages to motivate our employees. We regularly review and enhance our Company Compensation and Benefit Management System (公司薪酬福利管理制度) to ensure its effectiveness, which is designed to align with employee contributions and performance. Additionally, the Group arranges comprehensive and reasonable employee benefits, including mandatory insurance, medical allowances, annual leave, marriage leave, and paternal leave.

The Group attaches great importance to the talent cultivation and development and have implemented a comprehensive talent promotion system. We set up internal assessment to closely monitor employees' 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 employees to review their performance. This internal assessment can allow us to collect feedback on suitable training programmes, understand the performance and skills of each employee, and suggest appropriate improvements needed for each employee.

100%

Percentage of Employees that were subjected to an annual performance appraisal in the Reporting Period

DIVERSITY AND INCLUSION

At Ying Li, we strongly believe in fostering a diverse and inclusive work environment that enables individuals from various backgrounds to collaborate effectively and thrive. Our commitment to this principle is evident in the policies and guidelines outlined in the Staff Handbook, which explicitly state our zero-tolerance stance on discrimination or harassment based on factors such as 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.

We will not tolerate any scale or type of harassment and discrimination in our work environment. Regular training on anti-discrimination 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.

If any risks of non-compliance 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 take place.

SUSTAINABILITY **REPORT**

EMPLOYEE TRAINING AND DEVELOPMENT

Talent has been a significant pillar underpinning our success and the critical driving force propelling our sustainable development. We have established a systematic and diversified employee training mechanism and developed customized training plans for employees of various levels and scenarios.

The Group firmly believes that providing equal training opportunities to all employees will not only enhance their performance but also prepare them for future challenges and opportunities by equipping them with new skills. In line with this commitment, we have implemented the Employee Training Management Policy (公司培训管理制度), systematically reviewing and planning the training framework.

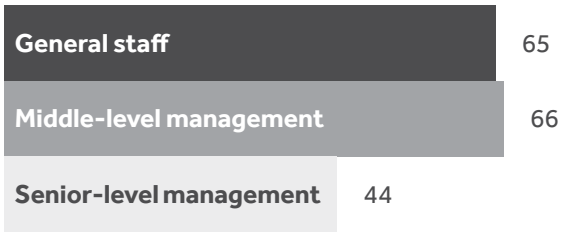
We understand that nurturing talent is essential for long-term business growth, and we are open to sponsoring our employees' educational pursuits, including support for seminars and short courses, as well as bachelor's and master's degrees, enabling them to pursue external training opportunities.

In 2023, 122 employees have completed an average of 63 hours in various training courses.

122	7,655	63
Individuals trained	Total training hours	Average training hours

AVERAGE TRAINING HOURS BY GENDER

AVERAGE TRAINING HOURS BY POSITION



Throughout the Reporting Period, the Group conducted a range of training workshops and courses for our employees, covering important areas such as health and safety, anti-bribery and anti-corruption, risk management, asset management, and problem-solving skills. The aim of these training initiatives is to enhance the skill sets of our employees, support their career development, and contribute to the growth of our business.

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

SUSTAINABILITY **REPORT**

OCCUPATIONAL HEALTH AND SAFETY

At Ying Li, the health and safety of our staff is of paramount importance to our business operation. We have established a comprehensive Safety and Equipment Management Policy (公司安全生产管理制度) to effectively monitor, measure, and evaluate our safety performance. Our commitment extends to strict compliance with all relevant laws and regulations, including the *Work Safety Law of the PRC*, as we aim to ensure the safety of our employees and provide them with a secure, stable, and safe working environment. Furthermore, the Group has formed a Company Production Safety Leadership Mechanism (公司安全生产工作领导机构设置) to clarify the responsibilities of occupational health and safety management at each level and to implement a safety production responsibility system.

PRODUCTION SAFETY LEADERSHIP MECHANISM

PRODUCTION SAFETY LEADERSHIP GROUP

- Communicate national policies and significant decisions over safety production to the Group
- Implement the safety production guidance and directions from China Everbright Limited
- Formulate the Group's policies and emergency plans
- Responsible for emergency response to major safety production accidents
- Report and review work progress

PRODUCTION SAFETY WORKING GROUP

- Assist in formulating and improving the Group's safety management system and specification
- Implement and manage the safety measures of the Group
- Supervise and coordinate the safety production work across different business units
- Organize training on safety management and conduct emergency rescue drills
- Investigate and examine safety production accidents

The Group strives to apply the highest safety standard in construction and renovation projects to eliminate the rate of fatalities and lifechanging injuries at construction sites. In order to ensure our construction staff 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 for managing potential safety hazards in different types of construction works, including constructions, renovations, alterations and additional works. To ensure a proactive approach, the delegated parties are required to conduct regular monitoring and reporting to identify areas which may require extra attention to prevent accidents from occurring. We prioritize the safety and well-being of building users by strictly adhering to prevailing standards in our property design and management practices. Besides, we have set up platforms for employees to raise their innovative 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.

SUSTAINABILITY REPORT

To minimise the impacts from unexpected incidents of any kind, the Group has implemented emergency response plans as part of the Safety Management Policy (安全技术管理政策) for its Property and Project Management Division in the following aspects: fire, gas leakage, flood, burglary, torrential rain, fights or violence, typhoon, demonstration or riot, power outage, bomb disposal, and elevator failure.

FIRE SAFETY TRAINING

The Group always pay close attention to fire safety. In 2023, we organized a seminar to share real-life case studies related to fire safety, enabling employees to gain a deeper understanding of potential fire hazards and effective preventive measures. Additionally, we conducted two fire safety training sessions to improve our employees' awareness and preparedness in responding to emergency situations. By equipping them with the necessary knowledge and skills, we ensure our team is well-prepared to handle any fire-related incidents that may occur.

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.

EMPLOYEE WELLNESS

At Ying Li, we place a strong emphasis on the well-being of our employees as it is essential for maintaining a positive and productive working environment. Our Group is committed to creating an inclusive, open-minded, and compassionate workplace that supports our employees in times of need. We make continual efforts to enhance their well-being by fostering team unity through various activities, such as periodic employee gatherings during major festivals, birthday celebration and sports competitions as well as weekly badminton days. We strive to promote work-life balance and improve both our employees' physical and mental health.

NIKE X IMIX PARK CITY RUN

The Group acknowledges the importance of maintaining a good physical health, and we wholeheartedly support and encourage our employees to engage in various sports events. In November 2023, approximately 50 employees from different departments participated in the "Nike x IMIX PARK City Run." This event not only promoted their physical well-being but also fostered team spirit among the participants, strengthening their bonds and camaraderie.

SUSTAINABILITY **REPORT**

TABLE TENNIS CHALLENGE

In November 2023, the Group actively participated in a table tennis event called "国球耀渝中-乒乓球全民挑战赛," showcasing our determined commitment to advocating the significance of physical fitness. We are delighted to share that approximately 100 colleagues enthusiastically joined the event, demonstrating their support for the Group's health and wellness initiatives.

GODDESS DAY CELEBRATION

The Group always promotes workplace diversity and recognizes the invaluable contributions made by our female employees. In appreciation of their dedicated efforts and in recognition of their empowering presence, we organized a celebration event on International Women's Day, also known as Goddess Day. This special occasion allowed us to express our sincerest gratitude towards our female employees, while also serving as a demonstration of our unwavering commitment to fostering a workplace culture that promotes gender equality.

Ying Li places great emphasis on meeting the needs of our female employees and fully complies with the relevant laws and regulations, such as the *Special Rules on the Labor Protection of Female Employees*. We are dedicated to creating a thoughtful and supportive working environment for our female employees. In accordance with the law, we offer maternity leave, maternity allowances, and various other benefits that enable them to achieve a better work-life balance while fulfilling their family responsibilities.

100%

Percentage of Employees that returned to work after parental leave in the Reporting Period

SUSTAINABILITY **REPORT**

OUR SUPPLY CHAIN

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 throughout our supply chain to establish and maintain a sustainable connection with our stakeholders. We have outlined our requirements and expectations for suppliers 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). Furthermore, in 2023, we established the Bidding and Procurement Management Centre, consisting of two task forces: the Leadership Group and the Working Group. The primary objective of the Bidding and Procurement Management Centre is to promote an efficient and standardized bidding and procurement process, strengthening the Group's supplier assessment and management capacity.

We have maintained strong relationships with our suppliers and subcontractors, consistently enhancing our bidding and procurement management system with a focus on environmental and social considerations, and further strengthened strategic cooperation with outstanding partners for the sake of shared development under a strict supplier evaluation system. These efforts have resulted in an overall increase in the capacity of our supply chain. In 2023, the Group collaborated with more than 190 suppliers who have made significant contributions to the Group. The products and services provided by our suppliers are mainly related to office supplies, property maintenance and retrofitting projects.

NUMBER OF MAIN SUPPLIERS BY GEOGRAPHICAL REGION

174
China

18
Singapore

We have developed a comprehensive supplier management system encompassing supplier selection and evaluation. Ying Li selects suppliers who will best meet our requirements and deliver value at an acceptable level of risk. We consider our suppliers as valuable 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 with 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 our business.

In order to effectively identify supply chain risks while ensuring all suppliers remain in compliance with the Group's policies, annual supplier reviews and evaluations will be performed, assessing aspects including product and service quality, coordination, business ethics, professionalism of key personnel, risk control mechanisms, and effective communication. At the same time, we value feedback from our suppliers as this provides candid two-way communication and continuous improvements to Ying Li in the long run. During the reporting period, 67% of our new suppliers underwent supplier evaluation. In the future, Ying Li strives to enhance our supplier assessment checklist by incorporating more sustainability-related requirements to align with the Group's strategic direction in fostering sustainability development. A dependable supply chain which meets our sustainability standards is indispensable for the smooth operation of our business.

SUSTAINABILITY **REPORT**

OUR CUSTOMERS

PRODUCT AND SERVICE QUALITY

At Ying Li, we consistently prioritise the needs and expectations of our customers and consider their well-being throughout every stage of our operations. We continuously strive to stay at the forefront of industry practices, enabling us to remain relevant and uphold our commitment to delivering exceptional quality products and services to all our valued customers.

To ensure the product quality, we strictly comply with the *Construction Law of the PRC,* the *Product Quality Law of the PRC,* the *Construction Quality Assessment System of Singapore*, and other applicable laws and regulations. Furthermore, we employ the Project Management System (工程管理制度) to enhance our project quality and align with national and local standards. This system promotes the implementation of systematic, standardized, and stringent project management practices, ensuring timely delivery of high-standard projects while consistently improving our project quality. Our comprehensive project management system encompasses the project life-cycle from on-going construction design management to post-construction evaluation and quality assessment management.

On-going construction management	To ensure efficient quality control, we provide continuous supervision and assistance to the contractors throughout the construction project. Our professional engineers from the Engineering Department conduct on-site inspections to identify any potential risks threatening the project quality and offer suggestions for possible remedial actions. Additionally, we have established an early warning and processing mechanism to swiftly address and rectify any quality-related issues that may arise.
Post-construction management	Prior to delivering the project to customers, we have implemented a rigorous project acceptance and quality assessment system. This includes thorough assessments of various aspects, such as designs, construction, sales, and property management. The Engineering Department also conducts equipment test runs to ensure smooth operations.

RESPONSIBLE MARKETING AND PROMOTION

The Group has been adherence to the philosophy of responsible marketing, and strictly complied with the requirements of laws and regulations such as the *Advertising Law of the PRC and Singapore Code of Advertising Practice*. We have established the Compendium of Asset Sales Management Systems (资产销售管理制度汇编) that articulated a sound responsible marketing system. This system covers various aspects of sales management, including sales planning preparation, sales price management, and sales process management, ensuring that our marketing practices are transparent and compliant with industry standards. We take measures to prevent any fraudulent, misleading, or false information in our marketing materials or processes, which helps build trust with our consumers and safeguards their rights and interests.

In the Reporting Period, the Group did not receive any complaints or confirmed cases related to the marketing and promotion practices.

SUSTAINABILITY **REPORT**

CUSTOMER PRIVACY PROTECTION

The Group highly values customer privacy security and data protection. We adhere strictly to the *Data Security Law of the PRC*, the *Personal Information Protection Law of the PRC*, the *Personal Data Protection Act of Singapore*, and other relevant laws and regulations. In reinforcing the protection of data and personal information privacy for both the Group, our employees, and customers, Ying Li has developed the Measures for the Management of Company Confidential Information (公司保密信息管理办法). This document standardizes the confidentiality management of the Group's materials and information, ensuring a robust framework for safeguarding sensitive data.

We are committed to effectively managing the collection, dissemination, use, and handling of customer information to minimize the risk of privacy breaches. We also optimized the information security incident handling process to enhance our emergency handling capability for security incidents, striving to comprehensively protect customer privacy.

To ensure responsible data management, we request a clear record and documentation to ensure that data is managed in a systematic and accountable manner. Furthermore, we require authorization for the handling of sensitive data to minimize the risk of unauthorized data access or misuse. Confidential information pertaining to the Group's business, operations, employees, customers, suppliers, products, services, and proposed transactions or investments is treated with the highest level of confidentiality. When necessary, relevant personnel are required to sign a confidentiality agreement.

During the Reporting Period, there was no major information security incidents such as personal information leakage.

CUSTOMER SATISFACTION

We attach great importance to customer satisfaction and are dedicated to continuously enhancing our service quality. To gain a better understanding of our customers' perspectives, we have implemented a monthly customer satisfaction assessment, which enables us to gather valuable feedback and insights. In 2023, the Group's overall customer satisfaction reached an impressive 94%, showcasing our commitment to exceeding customer expectations.

94%

Overall customer satisfaction

In addition to our commitment to customer satisfaction, Ying Li proactively stays ahead of market trends to meet evolving customer preferences and enhance their overall experience. We recognize the impact of urban renewal and have developed a comprehensive renovation plan to provide our customers with new and trendy experiences. Moving forward, we will continue to prioritize customer satisfaction and strive to further enhance our services.

SUSTAINABILITY **REPORT**

IMIX PARK JFB UPGRADES

As part of the commercial complex's renovation plan, IMIX Park JFB has targeted the young consumer market and introduced trendy business models and brands to provide quality services according to the popular consumption trends and preferences of the consumer group. NIKE 1200 has opened its grand concept store in IMIX Park JFB, bringing in new trendy experience to our customers.

Conventional commercial spaces primarily served as shopping platforms. However, with evolving consumption trends, diverse experiential consumption has now taken center stage. With great insights, IMIX Park JFB has further enriched its business formats to meet the consumer demands in multiple scenarios, leading the way for emerging lifestyles. In the future, we will continuously upgrade and refresh IMIX Park's image and strive to become a trendsetting hub for new social interactions in the realm of business travel.

OUR COMMUNITY

COMMUNITY INVESTMENT

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. With a strong emphasis on public welfare and charity, Ying Li aims to make a positive impact on society as a whole. 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. By supporting various social initiatives, the Group strives to create a positive and lasting impact on the lives of people, fostering a sense of well-being and progress. Ying Li will consider setting up policies on community engagement in the future to improve its understanding of the communities.

SUSTAINABILITY **REPORT**

"CARE FOR THE NURSING HOME" PHOTOGRAPHY EXHIBITION

In promotion of the traditional virtues of respecting and caring for the elderly, Ying Li and Longshan Elderly Care Center of Everbright Bailingbang Health Industry Group organized a signing ceremony for Joint Construction & Educational Photography Exhibition Themed "Care for the Nursing Home" at Bailingbang Nursing Home in Ranjiaba in June 2023. The joint construction strengthens the collaborative efforts in enhancing the diversity of elderly volunteer services.

Our dedicated volunteers of this event offered meticulous services, including haircuts, nail trimming, and portrait sketching, to the elderly. Engaging in warm conversations, they demonstrated genuine care for the physical and living conditions of the elderly, effectively fostering a sense of fulfillment and happiness in their hearts.

BOOSTING RURAL REVITALIZATION

In response to national policies, the Group continues to facilitate rural revitalization. With the focus on key areas and crucial aspects such as industry support, investment attraction, talent training, and consumer assistance, the collaboration aims to leverage the Group's strong industrial and financial capabilities to expand the scope of public–private partnership and create a new and sustainable model for rural revitalization. In the future, the Group will focus on establishing a collaborative platform, innovating cooperation methods, and striving to create a multi-domain, multi-dimensional, multi-level, and open collaborative system to boost rural revitalization.

In 2023, the Group has taken significant steps in deepening the effective connection between consolidating and expanding the poverty alleviation efforts and rural revitalization.

SUSTAINABILITY **REPORT**

PAIRING ASSISTANCE WITH WUXI COUNTY

In October 2023, the Group signed a framework agreement for pairing assistance with the Chongqing Wuxi County Business Committee and the Chongqing Wuxi County Rural Revitalization Bureau, in a bid to further leverage our industrial advantages to facilitate regional rural revitalization. We aim to leverage the corporate financing advantages, expand the scope of government-enterprise services, and strive to create a new model for sustainable business empowerment in rural revitalization. This cooperation will further support the development and operation of Wuxi County's scenic areas and business districts, fostering initiatives like "Scenic Area Co-Construction" and "Business District Co-Construction". Additionally, we will engage in timely investment attraction and talent introduction, promote key project investments, offer specialized training for talent development, and provide project management consulting and technical support services.

Through pairing cooperation, the Group and Wuxi County will maintain close communication, working diligently to overcome rural development challenges and expand avenues for increased income and prosperity for farmers.

YING LI QIPAIFANG AND HUTOU VILLAGE COLLABORATION

In December 2023, the Party branch of Chongqing Yingli Qipaifang Real Estate Development Co., Ltd. ("**Qipaifang Party Branch**") (中共重庆英利七牌坊置业有限公司党支部), a subsidiary of the Group, and the Party General Branch of Hutou Village, Beibei District, Chongqing Municipality ("**Hutou Village Party Branch**") signed the joint construction agreement to deepen their collaboration in Party building and business aspects through resource sharing and complementary advantages. By establishing long-term and normalized cooperation, they aspire to explore and create a sustainable and empowering new model for rural vitalization, and thus to achieve remarkable outcomes in the co-construction process.

Qipaifang Party Branch is dedicated to fostering a positive reading environment by constructing a "Scholarly Community". It has donated a total of 246 books to the Hutou Village Party Branch, covering categories such as Party-building textbooks, agricultural science, classic literature, popular science knowledge, and healthcare. This contribution significantly enriches the villagers' library resources. The aim is to cultivate a strong learning atmosphere in Hutou Village, where residents are encouraged to enjoy reading, read quality books, and benefit from the knowledge gained.

SUSTAINABILITY **REPORT**

APPENDIX A: SUSTAINABILITY SCORECARD

ECONOMIC PERFORMANCE

REVENUE	UNIT	2022	2023
Revenue	RMB million	166	209
GREEN DEVELOPMENT			
Investment properties (since 1997)	No.	8	8
GFA of investment properties	'000 sqm	333	333
GFA of properties for sale	'000 sqm	296	294
GFA of properties for development	'000 sqm	257	257
Total GFA of all properties	'000 sqm	886	884
Regulatory incidents	No.	0	0
LEED-certified properties in our portfolio	%	22	22

ENVIRONMENTAL PERFORMANCE

EMISSIONS	UNIT	2022	2023
Scope 1 GHG Emissions[1,9]	tCO_2e	3	2
Scope 2 GHG Emissions[2]		16,385	13,583
Scope 3 GHG Emissions[3,4,5]		8	17
Total GHG Emissions[6,9]		16,396	13,602
Total GHG intensity Emissions[7]	tCO_2e/'000m^2	31.37	26.11
Sulphur Oxides (SOx) Emissions[8]	kg	0.02	0.01
Nitrous Oxides (NOx) Emissions[8]		0.90	0.63
Particulate Matter (PM) Emissions[8]		0.07	0.05
OTHER ENVIRONMENTAL ASPECTS			
Electricity Consumption	MWh	28,203	23,818
Electricity Consumption Intensity[7]	MWh/'000m^2	54.0	45.7
Petrol Consumption	L	1,100	680
Natural Gas Consumption[9]	m^3	0	0
Water Consumption[10]	m^3	546	400
Water Consumption Intensity[7]	m^3/'000m^2	1.0	0.8
Non-hazardous Waste Disposal[11,12]	t	3,526	4,031
Non-hazardous Waste Disposal Intensity[7]	t/'000m^2	6.7	7.7
Paper Consumption	t	0.9	0.4
Energy Consumption[9]	GJ	101,569	85,768

SUSTAINABILITY **REPORT**

SOCIAL PERFORMANCE[13]

WORKFORCE	UNIT	2022	2023
By location			
China	No. (%)	121 (98)	119 (98)
Singapore		3(2)	3 (2)
By gender			
Female	No. (%)	75 (60)	71 (58)
Male		49 (40)	51 (42)
By age group			
Under 31 years old	No. (%)	30 (24)	17 (14)
31 - 50 years old		88 (71)	99 (81)
Over 50 years old		6 (5)	6 (5)
By employment category			
Senior-level management	No. (%)	15 (12)	16 (13)
Middle-level management		60 (48)	60 (49)
General staff		49 (40)	46 (38)
TURNOVER RATE			
Overall turnover rate	%	9	11
By location			
China	%	8	10
Singapore		1	1
By gender			
Female	%	4	8
Male		5	3
By age group			
Under 31 years old	%	2	2
31 – 50 years old		7	9
Over 50 years old		0	0
AVERAGE TRAINING HOURS PER EMPLOYEE			
By location			
China	Hours	63	64
Singapore		29	25
By gender			
Female	Hours	65	69
Male		58	54
By employment category			
Senior-level management	Hours	46	44
Middle-level management		63	66
General staff		67	65

SUSTAINABILITY **REPORT**

OCCUPATIONAL HEALTH AND SAFETY	UNIT	2022	2023
Work-related fatalities[14]	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			
Employees that were entitled to parental leave	No.	4	2
Employees who took parental leave	No. (%)	4 (100)	2 (100)
Employees that returned to work in the Reporting Period after parental leave	No. (%)	3 (75)	2 (100)
Retention rate (Employees who ended their parental leave and still employed 12 months after their return to work)	%	0	100

REPORTING BOUNDARY:

Environmental performance data disclosed for 2023 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 the consumption of fuel.
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 2022 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. The 2022 Scope 3 emissions was restated due to the alignment of updated calculation methodology in 2023 for consistency and comparability.
4. ICAO Carbon Emissions Calculator was used to calculate air travel emission included in scope 3 emissions.
5. The significant increase in Scope 3 GHG emissions is due to the increase in the number of air travel after the easing of Covid-19 pandemic restrictions.
6. Carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) were included in GHG calculations.
7. All environmental intensities adopted total GFA of relevant properties as the denominator.
8. Emission factors were adopted from China Energy Statistics 2021 to estimate air emissions.
9. The 2022 natural gas consumption was restated to align with the 2023 reporting boundary to exclude activities of tenants for consistency and comparability. The restatement will affect related calculation including GHG emissions and energy consumption in 2022.
10. There was no issue in sourcing water that fits for purpose during the Reporting Period.
11. 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.
12. Non-hazardous waste disposal data does not include tenants'/occupants' waste disposal.
13. Percentage may not add up to 100% due to rounding.
14. Total number of work-related fatalities in 2021 was also 0.

SUSTAINABILITY **REPORT**

APPENDIX B: LIST OF POLICIES AND REGULATIONS

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 GHG 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 2023, 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 the basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity 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 2023, 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 the basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity 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 2023, 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 2023, 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. Meanwhile, the Group strictly complies with the Advertising Law of the PRC and Singapore Code of Advertising Practice in relation to advertising, labelling and privacy matters. In 2023, there was no confirmed case of non-compliance in relation to product responsibility that would have a significant impact on the Group.
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 2023, 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 or trial concluded towards the Group or its employees.

SUSTAINABILITY **REPORT**

APPENDIX C: 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 2023 to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no GRI sector standards currently applicable to the Group

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational 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 organization's sustainability reporting	AR: Corporate Profile	
	2-3 Reporting period, frequency and contact point	SR: Reporting Scope	
	2-4 Restatements of information	SR: Restatement	
	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	
	2-7 Employees	SR: Our people SR: Sustainability Scorecard	
	2-8 Workers who are not employees	SR: Our people SR: Sustainability Scorecard	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
	2-9 Governance structure and composition	AR: Corporate Governance SR: Sustainability Governance Structure 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: Sustainability Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	AR: Corporate Governance SR: Sustainability Governance Structure	
	2-13 Delegation of responsibility for managing impacts	AR: Corporate Governance SR: Sustainability Governance Structure	
	2-14 Role of the highest governance body in sustainability reporting	AR: Corporate Governance SR: Sustainability Governance Structure	
	2-15 Conflicts of interest	AR: Corporate Governance	
	2-16 Communication of critical concerns	AR: Corporate Governance SR: Our approach to sustainability	
	2-17 Collective knowledge of the highest governance body	AR: Corporate Governance	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
	2-18 Evaluation of the performance of the highest governance body	AR: Corporate Governance	
	2-19 Remuneration policies	AR: Corporate Governance SR: Our people 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 opinions of the employee representative assembly in the formulation of remuneration policy.	
	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: Sustainability Strategy	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
	2-23 Policy commitments	SR: Our Approach to Sustainability 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 Approach to Sustainability SR: Our Responsible Business Practice SR: List of Policies and Regulations	
	2-25 Processes to remediate negative impacts	SR: Our Environment SR: Our People	
	2-26 Mechanisms for seeking advice and raising concerns	SR: Our Responsible Business Practice	
	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: Membership Associations	
	2-29 Approach to stakeholder engagement	SR: Stakeholder Engagement	

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: Materiality Assessment	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: Materiality Assessment	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Anti-corruption	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR: Anti-corruption	
	205-2 Communication and training about anti-corruption policies and procedures	SR: Anti-corruption	
	205-3 Confirmed incidents of corruption and actions taken	There was no confirmed case of non-compliance in relation to corruption that would have a significant impact on the Group.	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Anti-corruption	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There was no confirmed case of non-compliance in relation to anti-competitive practices that would have a significant impact on the Group.	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Environment	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR: Sustainability Scorecard	
	302-2 Energy consumption outside of the organization		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	
	302-4 Reduction of energy consumption	SR: Our Environment	
	302-5 Reductions in energy requirements of products and services	SR: Our Environment	

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 SR: Our Environment	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR: Water Resources	
	303-2 Management of water discharge-related impacts	SR: Water Resources 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	We will study water stress in the future; and water storage in our residential/ commercial buildings would not cause significant water-related impacts.

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Environment	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: Sustainability Scorecard 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 Grid emission factors were referenced from the National Average Grid Emission Factor in China 2022 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 Scope 3 emissions included indirect GHG emissions from water consumption, paper waste disposal and air travel.	
	305-4 GHG emissions intensity	SR: Sustainability Scorecard	
	305-5 Reduction of GHG emissions	SR: Our Environment SR: Sustainability Scorecard	
	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 Emissions from POP, VOC and HAP are regarded as insignificant compared to emissions from PM, NOx and SOx.	

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 SR: Our Environment	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR: Waste Management	
	306-2 Management of significant waste-related impacts	SR: Waste Management	
	306-3 Waste generated	SR: Sustainability Scorecard	
	306-4 Waste diverted from disposal		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.
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Supply Chain	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR: Our Supply Chain	
	308-2 Negative environmental impacts in the supply chain and actions taken	There were no significant negative environment impacts observed in Ying Li's supply chain. Ying Li monitors actively to ensure suppliers are in compliance with relevant laws and regulations.	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our People	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR: Sustainability Scorecard	
	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: Employee Wellness SR: Sustainability Scorecard	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our People	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR: Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	SR: Occupational Health and Safety	
	403-3 Occupational health services	SR: Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR: Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	SR: Occupational Health and Safety 4 trainings related to fire safety were organized during the Reporting Period to enhance the fire safety awareness of our employees.	
	403-6 Promotion of worker health	SR: Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR: Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	100% employees are covered by the Group's occupational health and safety management system.	
	403-9 Work-related injuries	SR: Sustainability Scorecard	
	403-10 Work-related ill health	SR: Sustainability Scorecard	

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 SR: Our People	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR: Sustainability Scorecard	
	404-2 Programs for upgrading employee skills and transition assistance programs	SR: Employee Training and Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	SR: Talent Recruitment and Retention	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our People	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AR: Corporate Governance SR: Diversity and Inclusion SR: Sustainability Scorecard 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**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our People	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR: Diversity and Inclusion There was no reported incidents related to discrimination during the Reporting Period.	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Community	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR: Community Investment	
	413-2 Operations with significant actual and potential negative impacts on local communities	There were no significant negative impacts on local communities caused by Ying Li's business operations.	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Supply Chain	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR: Supply Chain Management	
	414-2 Negative social impacts in the supply chain and actions taken	There were no significant negative social impacts observed in Ying Li's supply chain. Ying Li monitors actively to ensure suppliers are in compliance with relevant laws and regulations.	

SUSTAINABILITY **REPORT**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	EXPLANATION /REASON FOR OMISSION
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Customers	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	SR: Responsible Marketing and Promotion	
	417-2 Incidents of non-compliance concerning product and service information and labeling	In the Reporting Period, the Group did not receive any complaints or confirmed cases related to the product and service information and labeling.	
	417-3 Incidents of non-compliance concerning marketing communications	In the Reporting Period, the Group did not receive any complaints or confirmed cases related to the marketing and promotion practices.	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: Our Approach to Sustainability SR: Our Customers	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: Customer Privacy Protection There were no complaints related to the breach of customer privacy and losses of customer data during the Reporting Period.	

DIRECTORS' **STATEMENT**

For the financial year ended 31 December 2023

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 2023 and the statement of financial position of the Company as at 31 December 2023.

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 122 to 203 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 2023 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:

Chia Seng Hee, Jack	
Chen Guodong	
Ma Jieyu	
Wang Yun	(appointed on 14 July 2023)
Loh Weng Seng Vincent	(appointed on 10 August 2023)
Ren Chao	(appointed on 3 April 2024)
Zhang Mingao	(resigned on 3 April 2024)
Yang Haishan	(resigned on 3 April 2024)

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' **STATEMENT**

For the financial year ended 31 December 2023

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 1.1.2023	AT 31.12.2023	AT 1.1.2023	AT 31.12.2023
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 2024 were the same as those as at 31 December 2023.

SHARE OPTIONS

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

No shares were 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)
Ma Jieyu	(Independent Director)
Wang Yun	(Non-Executive and Non-Independent Director)

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

DIRECTORS' **STATEMENT**

For the financial year ended 31 December 2023

AUDIT COMMITTEE (CONTINUED)

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 2023 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, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

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Wang Yun
Director

.....

Ren Chao
Director

3 April 2024

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 2023, 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 material accounting policy information, as set out on pages 122 to 203.

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 2023 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 applicable to 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.

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 RMB4.37 billion representing 72% of the Group's total assets as at 31 December 2023. Investment properties represent the most significant asset on the consolidated statement of financial position of the Group.

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 (continued)
(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 (continued)

The Group has accounted for its investment properties at fair value which are determined based on external valuations by independent professional valuer. 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 professional valuer.

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 professional valuer such as the term and reversionary yield, 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 professional valuer's qualifications, expertise and competency. We also read the terms of engagement of the professional valuer 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 approach, against those applied for similar property types in the market, and held discussion with the professional valuer 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, term and reversionary yield, 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.

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(b))

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 2023, the carrying value of development properties is RMB952 million representing 16% of the Group's total assets.

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 (continued)
(Refer to Note 14 to the financial statements)
(See accounting policies on Note 2.17 and critical accounting estimates on Note 3(b))

Area of focus (continued)

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.

Weakening market conditions and slow take up rate of development properties may impact and create downward pressure on the selling prices of these properties. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold. Accordingly, 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 and industry outlook.

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, expertise and competency. We also 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 their 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, the specific nature of the development properties 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)

KEY AUDIT MATTERS (CONTINUED)

Assessment of the going concern basis in preparation of the financial statements
(See critical accounting estimates on Note 3(h))

Area of focus

The Group was in net current liabilities position of RMB956 million as at 31 December 2023 despite it recording a net profit of RMB18 million and net cash generated from operating activities of RMB153 million for the financial year then ended. Included in the Group's current liabilities as at 31 December 2023, are bank borrowings of RMB1,133 million which are due for repayment within twelve months from the end of the financial year and higher than the Group's cash and cash equivalents excluding restricted bank balances of RMB267 million as at 31 December 2023. These conditions indicate the existence of events or conditions identified on the Group's ability to continue as a going concern.

Cash flow management is key to the Group in supporting the assessment on the Group's ability to continue as a going concern. In the event of defaults on repayment of instalment to the bank or failure to meet the financial covenants, going concern issues will be triggered as the banks may call for immediate repayment or request for change in the terms on which the bank facilities are provided.

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. Details of the Directors' considerations are included in Note 3(h) to the financial statements.

Given that management's judgement is involved in determining the appropriateness of the use of the going concern assumption in preparing the financial statements and the cash flows projections involved significant estimates on the amount of future cash inflows and outflows, specific audit focus in this area is required.

How our audit addressed the area of focus

We discussed with management regarding its assessment on the appropriateness of going concern used in the preparation of the financial statements and whether there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due. We have also discussed with management in relation to management's plans for future actions used in its going concern assessment and whether management's plans are feasible in the circumstances.

We have obtained and reviewed the cash flows projections of the Group for the next twelve months after the reporting date. We considered the appropriateness of the key assumptions used in the cash flows projections which included the probability of the Group in obtaining financial support from its controlling shareholder, and discussion with the relevant banks to extend the maturity term of the borrowings.

We also reviewed and considered the adequacy of the required disclosures in the financial statements on the going concern assumption.

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.

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:

- 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.

- 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.

- Evaluate 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.

INDEPENDENT AUDITOR'S **REPORT**

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

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
Public Accountants and Chartered Accountants

Singapore
3 April 2024

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2023

	NOTE	2023 RMB'000	2022 RMB'000
Revenue	4	208,518	166,125
Cost of sales		(68,414)	(47,488)
Gross profit		140,104	118,637
Other income	7	12,481	12,060
Other gains/(losses)			
- Loss allowances on trade and other receivables	27(b)	(3,301)	(21)
- Others - net	8	151,526	(333,158)
Expenses			
- Marketing		(19,165)	(23,497)
- Administrative		(75,309)	(88,332)
- Finance	9	(156,412)	(138,127)
Profit/(loss) before income tax		49,924	(452,438)
Income tax (expense)/credit	10	(31,528)	105,768
Net profit/(loss) for the financial year		18,396	(346,670)
Other comprehensive loss			
Items that maybe reclassified subsequently to profit or loss:			
Net currency translation differences arising from consolidation	25(b)(iv)	(48,851)	(128,649)
Other comprehensive loss, net of tax		(48,851)	(128,649)
Total comprehensive loss		(30,455)	(475,319)
Net profit/(loss) attributable to:			
Equity holders of the Company		16,869	(341,204)
Non-controlling interests		1,527	(5,466)
		18,396	(346,670)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(31,982)	(469,853)
Non-controlling interests		1,527	(5,466)
		(30,455)	(475,319)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company			
Basic earnings/(loss) per share (RMB)	11(a)	0.007	(0.133)
Diluted earnings/(loss) per share (RMB)	11(b)	0.004	(0.133)

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

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 31 December 2023

	NOTE	GROUP 2023 RMB'000	GROUP 2022 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	318,370	370,773
Trade and other receivables	13	370,725	440,931
Development properties	14	951,564	964,622
		1,640,659	1,776,326
Non-current assets			
Financial asset, at fair value through profit or loss ("FVPL")	15	-	210,000
Investment properties	16	4,371,400	4,094,253
Property, plant and equipment	17	47,677	50,745
		4,419,077	4,354,998
Total assets		6,059,736	6,131,324
LIABILITIES			
Current liabilities			
Borrowings	19	1,605,942	513,963
Trade and other payables	20	406,227	428,771
Provisions	21	395,948	421,907
Current income tax liabilities		188,073	179,647
		2,596,190	1,544,288
Non-current liabilities			
Borrowings	19	825,996	1,962,000
Other payable – related party	20	271,619	224,092
Deferred income tax liabilities	22	396,709	365,181
		1,494,324	2,551,273
Total liabilities		4,090,514	4,095,561
NET ASSETS		1,969,222	2,035,763
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	(2,086,356)	(1,995,047)
Accumulated losses		(843,295)	(866,536)
Equity attributable to equity holders of the Company		1,977,691	2,045,759
Non-controlling interests	18	(8,469)	(9,996)
TOTAL EQUITY		1,969,222	2,035,763

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

STATEMENT OF **FINANCIAL POSITION**

As at 31 December 2023

	NOTE	COMPANY 2023 RMB'000	COMPANY 2022 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	14,071	2,677
Trade and other receivables	13	2,592,800	2,685,426
		2,606,871	2,688,103
Non-current assets			
Property, plant and equipment	17	1,519	17
Investments in subsidiaries	18	3,116,474	3,116,474
		3,117,993	3,116,491
Total assets		5,724,864	5,804,594
LIABILITIES			
Current liabilities			
Borrowings	19	472,769	573,585
Trade and other payables	20	1,461,506	1,435,719
		1,934,275	2,009,304
Non-current liabilities			
Other payable – related party	20	271,619	224,092
		271,619	224,092
Total liabilities		2,205,894	2,233,396
NET ASSETS		3,518,970	3,571,198
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	(59,579)	1,360
Accumulated losses		(1,328,793)	(1,337,504)
TOTAL EQUITY		3,518,970	3,571,198

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

		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 2023		4,028,372	878,970	(2,034,754)	42,458	91,018	(93,769)	(866,536)	2,045,759	(9,996)	2,035,763
Total comprehensive (loss)/income for the financial year:											
- Net profit for the financial year		–	–	–	–	–	–	16,869	16,869	1,527	18,396
- Net currency translation differences arising from consolidation	25(b)(iv)	–	–	–	–	–	(48,851)	–	(48,851)	–	(48,851)
		–	–	–	–	–	(48,851)	16,869	(31,982)	1,527	(30,455)
Distribution on perpetual convertible securities	24	–	–	–	–	–	–	(36,086)	(36,086)	–	(36,086)
Transfer of reserve related to convertible bonds	25(b)(ii)	–	–	–	(42,458)	–	–	42,458	–	–	–
Balance as at 31 December 2023		4,028,372	878,970	(2,034,754)	–	91,018	(142,620)	(843,295)	1,977,691	(8,469)	1,969,222

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

		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 **CASH FLOWS**

For the financial year ended 31 December 2023

	NOTE	2023 RMB'000	2022 RMB'000
Operating activities			
Profit/(loss) before income tax		49,924	(452,438)
Adjustments for:			
Fair value (gain)/loss on investment properties	8	(278,791)	4,930
Fair value loss on financial asset, at FVPL	8	210,000	411,799
Interest expense	9	156,412	138,127
Depreciation of property, plant and equipment	5	4,261	4,650
Amortisation of deferred lease incentives	5	–	3,201
Gain on disposal of property, plant and equipment	8	–	(37)
Gain on disposal of investment properties	8	(2,876)	–
(Reversal of provision)/provision on legal cases and penalties - net	8	(25,959)	23,306
Loss allowance on trade and other receivables	27(b)	3,301	21
Completed properties written down	8	–	40,000
Bank interest income	7	(9,865)	(6,761)
Reversal of other tax payable on waived distribution for perpetual convertible securities	8	–	(111,386)
Unrealised exchange differences		(20,457)	(43,443)
Operating cash flows before movements in working capital		85,950	11,969
Trade and other receivables		16,363	15,889
Development properties		14,332	859
Trade and other payables		26,735	(20,851)
Provisions		–	(7,898)
Cash generated from/(used in) operations		143,380	(32)
Interest received		9,865	6,761
Income tax paid		(2)	(83)
Net cash generated from operating activities		153,243	6,646
Investing activities			
Purchase of property, plant and equipment		(219)	(431)
Proceeds from disposal of property, plant and equipment		–	404
Proceeds from disposal of investment properties		4,520	–
Net cash generated from/(used in) investing activities		4,301	(27)
Financing activities			
Decrease/(increase) in restricted cash		207,332	(45,420)
Proceeds from borrowings		1,130,562	180,467
Proceeds from bond notes		–	40,197
Interest paid		(148,918)	(134,604)
Repayment of borrowings		(976,573)	(292,528)
Repayment of bond notes		(215,912)	–
Net cash used in financing activities		(3,509)	(251,888)

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 December 2023

	NOTE	2023 RMB'000	2022 RMB'000
Net increase/(decrease) in cash and cash equivalents		154,035	(245,269)
Effect of exchange rate changes on cash and cash equivalents		894	2,686
Cash and cash equivalents at beginning of the financial year		111,822	354,405
Cash and cash equivalents at end of the financial year	12	266,751	111,822
Restricted bank balances	12	51,619	258,951
Cash and cash equivalents in the consolidated statement of financial position	12	318,370	370,773

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

				NON-CASH CHANGES			
	1 JANUARY RMB'000	PROCEEDS 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 RMB'000
Borrowings							
2023	2,475,963	1,130,562	(1,341,403)	17,898	(7,494)	156,412	2,431,938
2022	2,489,266	220,664	(427,132)	58,561	(3,523)	138,127	2,475,963

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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. MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with SFRS(I)s 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") except when otherwise indicated.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)s") 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)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s 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 2023

2. MATERIAL 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 GROUP ACCOUNTING (CONTINUED)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

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.

(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 SFRS(I)s.

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 to the financial statements 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 valuer 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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

(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.

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.

<u>At initial recognition</u>

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS (CONTINUED)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise 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 gains/(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".

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS (CONTINUED)

(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.

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*.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

  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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 LEASES (CONTINUED)

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

- Lease liabilities (continued)

  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 2023

2. MATERIAL 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 2023

2. MATERIAL 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 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 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.

2.20 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 EMPLOYEE BENEFITS (CONTINUED)

(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.

2.21 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 CURRENCY TRANSLATION (CONTINUED)

(b) Transactions and balances (continued)

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

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 will be directly debited from equity.

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 2023 is RMB4,371,400,000 (2022: RMB4,094,253,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) 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 2023 is RMB951,564,000 (2022: RMB964,622,000).

(c) 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 2023 is RMBNil (2022: RMB210,000,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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 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 forecast economic conditions. The Group's historical credit loss experience and 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) to the financial statements.

The gross amounts of trade receivables and loss allowance as at 31 December 2023 are RMB15,312,000 and RMB4,797,000 (2022: RMB51,876,000 and RMB1,568,000) 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 2023 are RMB635,978,000 and RMB350,192,000 (2022: RMB658,068,000 and RMB350,192,000) respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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 recognises 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 2023, 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 2023 is RMB395,948,000 (2022: RMB421,907,000).

(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 2023 is RMB396,709,000 (2022: RMB365,181,000).

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(g) Classification of unquoted investment in limited partnership (continued)

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 an investment and partnership agreement. Accordingly, the Group has classified the investment as financial asset, FVPL as disclosed in Note 15 to the financial statements.

(h) Going concern

The Group was in net current liabilities position of RMB956 million as at 31 December 2023 despite it recording a net profit of RMB18 million and net cash generated from operating activities of RMB153 million for the financial year then ended. Included in the Group's current liabilities as at 31 December 2023, are bank borrowings of RMB1,133 million which are due for repayment within 12 months from the end of the financial year and higher than the Group's cash and cash equivalents excluding restricted bank balances of RMB267 million as at 31 December 2023.

Notwithstanding the above, the Group's significant operations in the PRC are expected to progressively recover as the stringent property measures would only have short term impact to the Group's business activities. Accordingly, the Directors, having considered the operations of the Group and the followings, 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 from the financial year ended 31 December 2023:

- The Directors had carried out a review of the cash flows projections of the Group for the next financial year ending 31 December 2024 and are of the view that there is adequate liquidity to finance the working capital requirements of the Group;
- The Group continues to generate positive cash flows from its operating activities;
- The Group is in the process of extending the maturity term of the borrowings with relevant banks and seeking financial support from the controlling shareholder; and
- The Group will be proactively reshuffling or disposing low yielding properties to reduce gearing and improve liquidity position.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future and the use of going concern assumption in the preparation of the Group's financial statements is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. REVENUE

	GROUP	
	2023	2022
	RMB'000	RMB'000
Revenue from contracts with customers – the PRC:		
- Sales of completed properties – at a point in time	17,351	891
Property rental income – the PRC (Note 16)	191,167	165,234
	208,518	166,125

(a) Contract liabilities

	GROUP		
	31 DECEMBER		1 JANUARY
	2023	2022	2022
	RMB'000	RMB'000	RMB'000
Point in time:			
Contract liabilities - sales of completed properties	59,628	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	
	2023	2022
	RMB'000	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 – at a point in time	7,390	386

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

5. EXPENSES BY NATURE

	GROUP	
	2023	2022
	RMB'000	RMB'000
Advertising and promotional expenses	6,623	6,078
Amortisation of deferred lease incentives capitalised	–	3,201
Cost of completed properties for sale	14,769	859
Consultancy and service fees	12,402	20,448
Depreciation of property, plant and equipment (Note 17)	4,261	4,650
Employee compensation (Note 6)	32,719	33,728
Property management and maintenance cost	32,395	24,817
Property tax	15,769	17,244

6. EMPLOYEE COMPENSATION

	GROUP	
	2023	2022
	RMB'000	RMB'000
Wages and salaries	22,796	23,709
Employer's contribution to defined contribution plans	6,291	7,018
Other short-term benefits	3,632	3,001
	32,719	33,728

7. OTHER INCOME

	GROUP	
	2023	2022
	RMB'000	RMB'000
Bank interest income	9,865	6,761
Sundry income	2,616	5,299
	12,481	12,060

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

8. OTHER GAINS/(LOSSES) – NET

	GROUP	
	2023	2022
	RMB'000	RMB'000
Fair value gain/(loss) on investment properties (Note 16)	278,791	(4,930)
Fair value loss on financial asset, at FVPL (Note 15)	(210,000)	(411,799)
Reversal of provision/(provision) on legal cases and penalties - net (Note 21)	25,959	(23,306)
Receipt from partial settlement of a legal case (Note 21)	9,564	3,000
Expenses incurred for early termination of tenancy agreement	(1,669)	(10,000)
Completed properties written down	–	(40,000)
Foreign exchange gain - net	20,457	44,252
Reversal of other tax payable on waived distribution for perpetual convertible securities	–	111,386
Refund of withholding tax relating to perpetual convertible securities	13,396	–
Reversal of accrued payables	12,841	–
Gain on disposal of investment properties	2,876	–
Gain on disposal of property, plant and equipment	–	37
Others	(689)	(1,798)
	151,526	(333,158)

9. FINANCE EXPENSES

	GROUP	
	2023	2022
	RMB'000	RMB'000
Interest expenses:		
- Bank borrowings	125,469	122,858
- Bond notes	3,229	7,092
- Loan from a related party	27,714	8,177
	156,412	138,127

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

10. INCOME TAX EXPENSE/(CREDIT)

	GROUP	
	2023	2022
	RMB'000	RMB'000
Tax expense/(credit) attributable to profit or loss is made up of:		
For the current financial year:		
- Current income tax	–	78
- Deferred income tax (Note 22)	31,528	(105,846)
	31,528	(105,768)

No provision for taxation in Singapore has been made as the Group's taxable income neither arises in, nor is derived from Singapore.

In 2023 and 2022, the Group's taxation arising mainly from operations in the PRC which is calculated at the prevailing rate of 25%.

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	GROUP	
	2023	2022
	RMB'000	RMB'000
Profit/(loss) before income tax	49,924	(452,438)
Tax calculated at tax rate of 25%* (2022: 25%*)	12,481	(113,110)
Effects of:		
- Different tax rates in other countries	9,089	(4,120)
- Deferred income tax not recognised	4,769	34,220
- Expenses not deductible for tax purposes	10,094	6,122
- Income not subject to tax	(4,905)	(28,880)
Tax expense/(credit)	31,528	(105,768)

* This is the applicable tax rate for most of the Group's taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	GROUP	
	2023	2022
Net profit/(loss) attributable to equity holders of the Company (RMB'000)	16,869	(341,204)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,557,040	2,557,040
Basic earnings/(loss) per share (RMB per share)	0.007	(0.133)

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, net profit/(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.

	GROUP	
	2023	2022
Net profit/(loss) attributable to equity holders of the Company (RMB'000)	16,869	(341,204)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,557,040	2,557,040
Adjustment for perpetual convertible securities ('000)	1,480,000	–*
	4,037,040	2,557,040
Diluted earnings/(loss) per share (RMB per share)	0.004	(0.133)

* For the financial year ended 31 December 2022, 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 2023

12. CASH AND CASH EQUIVALENTS

	GROUP	
	2023	2022
	RMB'000	RMB'000
Cash and cash equivalents	318,370	370,773
Less: Restricted bank balances	(51,619)	(258,951)
Cash and cash equivalents per consolidated statement of cash flows	266,751	111,822

	COMPANY	
	2023	2022
	RMB'000	RMB'000
Cash at bank	14,071	2,677

As at 31 December 2023, restricted bank balances of the Group of RMB51,619,000 pledged to banks were in relation to interest reserve account on borrowings and sales of mortgaged properties to customers.

As at 31 December 2022, restricted bank balances of RMB40,731,000 pledged to banks were in relation to interest reserve account on borrowings and sales of mortgaged properties to customers and RMB218,220,000 related to the bond notes issued by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. TRADE AND OTHER RECEIVABLES

	GROUP	
	2023	2022
	RMB'000	RMB'000
Trade receivables - Non-related parties	15,312	51,876
Less: loss allowance (Note 27(b))	(4,797)	(1,568)
Trade receivables – net	10,515	50,308
Other receivables - Non-related parties	43,353	65,452
Consideration receivables from disposal of subsidiaries and a land parcel	575,350	575,350
Refundable deposits	17,275	17,266
	635,978	658,068
Less: loss allowance (Note 27(b))	(350,192)	(350,192)
Total other receivables – net	285,786	307,876
Financial assets at amortised cost	296,301	358,184
Advances to sub-contractors and vendors	4,007	4,103
Prepayments	45,011	55,918
Prepaid taxes	25,406	22,726
Total trade and other receivables	370,725	440,931

	COMPANY	
	2023	2022
	RMB'000	RMB'000
Other receivables:		
- Non-related parties	20	40
- Subsidiaries	2,894,275	2,986,898
Refundable deposits	275	266
	2,894,570	2,987,204
Less: loss allowance	(302,056)	(302,056)
Financial assets at amortised cost	2,592,514	2,685,148
Prepayments	286	278
Total trade and other receivables	2,592,800	2,685,426

Other receivables from subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. DEVELOPMENT PROPERTIES

	GROUP	
	2023	2022
	RMB'000	RMB'000
Completed properties for sale	829,152	842,210
Properties for development	122,412	122,412
	951,564	964,622

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 current financial year ended 31 December 2023, certain property, plant and equipment with aggregate carrying amounts of RMB1,274,000 were transferred to completed properties for sale (Note 17).

During the financial year ended 31 December 2022, certain completed properties for sale with aggregate carrying amounts of RMB3,507,000 used as the Group's office spaces were transferred to property, plant and equipment (Note 17).

Certain bank borrowings are secured by completed properties for sale of the Group with carrying amount of RMB208,137,000 (2022: RMB342,518,000) (Note 19).

15. FINANCIAL ASSET, AT FVPL

	GROUP	
	2023	2022
	RMB'000	RMB'000
Unquoted investment in limited partnership, at FVPL		
Beginning of financial year	210,000	621,799
Fair value loss (Note 8)	(210,000)	(411,799)
End of financial year	–	210,000

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

15. FINANCIAL ASSET, AT FVPL (CONTINUED)

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 Savills Valuation and Professional Services (China) Limited (2022: KPMG Advisory (Hong Kong) Limited), 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 approach, replacement cost 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 Savills Real Estate Valuation (Guangzhou) Limited (2022: 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 approach 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 replacement cost method is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialised improvements are located on the site, for which there exist few improved sales or leases of comparable properties. 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 2023

16. INVESTMENT PROPERTIES

	GROUP	
	2023	2022
	RMB'000	RMB'000
Leasehold properties:		
Beginning of financial year	4,094,253	4,099,183
Disposal of investment properties	(1,644)	–
Fair value gain/(loss) (Note 8)	278,791	(4,930)
End of financial year	4,371,400	4,094,253

Certain bank borrowings are secured by investment properties of the Group with carrying amount of RMB4,116,189,000 (2022: RMB3,896,397,000) (Note 19).

The following amounts are recognised in profit or loss:

	GROUP	
	2023	2022
	RMB'000	RMB'000
Property rental income (Note 4)	191,167	165,234
Direct operating expenses arising from:		
- Investment properties that generate rental income	(53,645)	(46,629)
- Investment properties that do not generate rental income	(1,290)	(2,086)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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
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.
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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy - Recurring fair value measurement

	FAIR VALUE MEASUREMENT USING		
DESCRIPTION	**QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)**	**SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)**	**SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)**
	RMB'000	**RMB'000**	**RMB'000**
As at 31 December 2023			
- Retail, office and car parks – the PRC	–	–	4,371,400
As at 31 December 2022			
- Retail, office and car parks – the PRC	–	–	4,094,253

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 method and income approach 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, except as disclosed below.

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 2023, the fair values of the properties have been determined by KPMG Advisory (China) Limited Shenzhen Branch (2022: Colliers International (Hong Kong) Limited).

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 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

DESCRIPTION	FAIR VALUE RMB'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT [1]	RANGE
31 December 2023				
Investment properties	4,371,400	Direct comparison method	price per square metre [2]	RMB4,640 - RMB34,000
		Income approach (term and reversion)	term and reversionary yield [3]	4.8% - 5.8%
31 December 2022				
Investment properties	4,094,253	Direct comparison method	price per square metre [2]	RMB5,870 - RMB24,100
		Income approach (discounted cash flow)	discount rate [3]	6.0% - 6.7%
			occupancy rate [2]	51% - 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD BUILDINGS	OFFICE EQUIPMENT, COMPUTERS, FURNITURE AND FITTINGS	MOTOR VEHICLES	TOTAL
	RMB'000	RMB'000	RMB'000	RMB'000
Group				
2023				
Cost				
Beginning of financial year	71,598	19,882	1,003	92,483
Additions	2,172	219	–	2,391
Transfer to development properties (Note 14)	(1,313)	–	–	(1,313)
Written-off	–	(39)	–	(39)
Currency translation differences	93	3	–	96
End of financial year	72,550	20,065	1,003	93,618
Accumulated depreciation				
Beginning of financial year	22,757	18,078	903	41,738
Depreciation (Note 5)	3,855	406	–	4,261
Transfer to development properties (Note 14)	(39)	–	–	(39)
Written-off	–	(39)	–	(39)
Currency translation differences	15	5	–	20
End of financial year	26,588	18,450	903	45,941
Net book value				
End of financial year	45,962	1,615	100	47,677
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				
End of financial year	48,841	1,804	100	50,745

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LEASEHOLD BUILDINGS RMB'000	COMPUTERS RMB'000	TOTAL RMB'000
Company			
2023			
Cost			
Beginning of financial year	–	110	110
Additions	2,172	–	2,172
Currency translation differences	93	3	96
End of financial year	2,265	113	2,378
Accumulated depreciation			
Beginning of financial year	–	93	93
Depreciation	740	6	746
Currency translation differences	15	5	20
End of financial year	755	104	859
Net book value			
End of financial year	1,510	9	1,519
2022			
Cost			
Beginning of financial year	–	79	79
Additions	–	24	24
Currency translation differences	–	7	7
End of financial year	–	110	110
Accumulated depreciation			
Beginning of financial year	–	76	76
Depreciation	–	10	10
Currency translation differences	–	7	7
End of financial year	–	93	93
Net book value			
End of financial year	–	17	17

Certain bank borrowings are secured by leasehold buildings of the Group with carrying amounts of RMB7,362,000 (2022: RMB20,234,000) (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2023	2022
	RMB'000	RMB'000
Unquoted equity shares, at cost:		
Beginning of financial year	2,966,257	2,966,325
Written-off [1]	–	(68)
End of financial year	2,966,257	2,966,257
Quasi-equity loan to a subsidiary [2]	150,217	150,217
	3,116,474	3,116,474

(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 stated at cost and tested for impairment together with the cost of investment.

Management assesses for impairment whenever there is any objective evidence or indication that investments in subsidiaries may be impaired. As at 31 December 2023 and 2022, management has assessed that there is no indication that the Company's investments in subsidiaries would be impaired.

The Group has the following subsidiaries as at 31 December 2023 and 2022:

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPO-RATION	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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
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	–	–

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPO-RATION	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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Held by the Company (continued)								
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	–	–
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	–	–
Held by Ever Perfect Enterprise Limited								
Fully Rich Industrial Limited[(a)]	Trading	Hong Kong	100	100	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
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 and management	The PRC	100	100	100	100	–	–
Chongqing Lu Zu Temple Real Estate Co., Ltd.[(b)] ("LZM")	Property development	The PRC	100	–	100	100	–	–

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For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Held by GS								
LZM[(b)]	Property development	The PRC	–	100	100	100	–	–
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)(c)]	Investment holding	The PRC	–	1	–	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	–	–
CQYL[(b)]	Property development	The PRC	2.95	2.95	100	100	–	–

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For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPO-RATION	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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
Held by Verdant View Limited								
Chongqing Lion Equity Investment Partnership[(b)(c)]	Investment holding	The PRC	–	99	–	100	–	–
Held by Chongqing Lion Equity Investment Partnership								
Chongqing Yingli Retail Management Co., Ltd.[(b)]	Property consultancy, sale, marketing and management	The PRC	–	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	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (continued)

NAME OF SUBSIDIARIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPO-RATION	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	
			2023	2022	2023	2022	2023	2022
			%	%	%	%	%	%
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	–	–
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	100	–	–
Chongqing Rong Guang Commercial Management Co., Ltd.[(b)]	Mall and property management and corporate management consultancy	The PRC	100	100	100	100	–	–
Chongqing Yingli Retail Management Co., Ltd.[(b)]	Property consultancy, sale, marketing and management	The PRC	47.62	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group has the following subsidiaries as at 31 December 2023 and 2022: (continued)

(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.

(c) The Company's dormant indirect wholly-owned subsidiary, Chongqing Lion Equity Investment Partnership, had been dissolved on 22 December 2023.

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	
	2023	2022
	RMB'000	RMB'000
SYW	(8,469)	(9,996)

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

	2023	2022
	RMB'000	RMB'000
Current assets	174,000	267,466
Non-current assets	44	1,348
Total assets	174,044	268,814
Current liabilities	216,390	318,796
Total liabilities	216,390	318,796
Net liabilities	(42,346)	(49,982)

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18. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised statement of comprehensive income of SYW

	2023 RMB'000	2022 RMB'000
Revenue	5,809	543
Total comprehensive income/(loss), representing net profit/(loss)	7,636	(27,331)
Total comprehensive income/(loss) allocated to non-controlling interests	1,527	(5,466)

Summarised statement of cash flows of SYW

	2023 RMB'000	2022 RMB'000
Net cash (used in)/generated from operating activities	(709)	242
Net cash used in financing activities	–	(1)

19. BORROWINGS

	GROUP	
	2023 RMB'000	2022 RMB'000
Current		
Financial instruments with floating interest rates:		
Bank borrowings (secured)	1,133,173	114,500
Financial instruments with fixed interest rates:		
Bond notes (unsecured)	–	215,912
Loans from a related party (unsecured)	472,769	183,551
	1,605,942	513,963
Non-current		
Financial instruments with floating interest rates:		
Bank borrowings (secured)	825,996	1,962,000
Total	2,431,938	2,475,963

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For the financial year ended 31 December 2023

19. BORROWINGS (CONTINUED)

	COMPANY	
	2023	2022
	RMB'000	RMB'000
Current		
Financial instruments with fixed interest rates:		
Bond notes (unsecured)	–	215,912
Bond notes – a subsidiary (unsecured)	–	174,122
Loans from a related party (unsecured)	472,769	183,551
Total	472,769	573,585

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	
	2023	2022
	RMB'000	RMB'000
6 months or less	1,959,169	2,076,500

The weighted effective interest rates are as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	%	%	%	%
Bank borrowings	6.22	5.68	–	–
Bond notes	–	4.00	–	4.00
Loans from a related party	7.33	8.00	7.33	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 2023

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 RMB4,116,189,000 (2022: RMB3,896,397,000) (Note 16);
(b) mortgage over certain development properties with carrying value of RMB208,137,000 (2022: RMB342,518,000) (Note 14);
(c) mortgage over certain property, plant and equipment with carrying value of RMB7,362,000 (2022: RMB20,234,000) (Note 17); and
(d) intra-group corporate guarantees from certain Group entities.

Security granted

As at 31 December 2023, the Company has provided guarantees to banks in respect of banking facilities granted to Group entities amounting to RMB1,054,065,000 (2022: RMB1,097,753,000). 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	
	2023	2022
	RMB'000	RMB'000
Trade payables - Non-related parties	42,458	112,215
Other payables:		
- Non-related parties	110,188	110,764
- Related party	271,619	224,092
	424,265	447,071
Accruals for operating expenses	108,333	106,973
Deposits received	45,787	40,559
Other tax payables	19,322	16,660
Financial liabilities, at amortised cost	597,707	611,263
Less: non-current liability		
Other payable – related party	(271,619)	(224,092)
	326,088	387,171
Advances received from lessees	20,511	16,316
Contract liabilities	59,628	25,284
Total trade and other payables – current liabilities	406,227	428,771

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

20. TRADE AND OTHER PAYABLES (CONTINUED)

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 2023, the Group has no intention to pay the distribution within the next 12 months and accordingly, the other payable – related party had been classified as non-current liability.

	COMPANY	
	2023	2022
	RMB'000	RMB'000
Other payables:		
- Subsidiaries	1,401,551	1,382,590
- Related party	271,619	224,092
	1,673,170	1,606,682
Accruals for operating expenses	50,451	45,797
Other tax payables	9,504	7,332
Financial liabilities, at amortised cost	1,733,125	1,659,811
Less: non-current liability		
Other payable – related party	(271,619)	(224,092)
Total trade and other payables – current liabilities	1,461,506	1,435,719

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 PCS (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 2023, the Company has no intention to pay the distribution within the next 12 months and accordingly, the other payable – related party had been classified as non-current liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

21. PROVISIONS

	GROUP	
	2023 RMB'000	2022 RMB'000
Current		
Provision on litigation case	270,000	337,777
Provision on penalties	125,948	84,130
	395,948	421,907
Movement:		
Beginning of financial year	421,907	406,499
Amount recognised in profit or loss (Note 8):		
- Provision made	41,818	41,818
- Reversal of provision	(67,777)	(18,512)
	(25,959)	23,306
Provision utilised	–	(7,898)
End of financial year	395,948	421,907

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.

In 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. 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 Non-Related Parties have not made repayments in accordance with the repayment schedule and there are still amount outstanding to be received from the Non-Related Parties as at 31 December 2023. The management is closely following up with the Non-Related Parties on the remaining outstanding amount.

During the financial year ended 31 December 2023, CQYL had received repayment of a total amount of RMB9,564,000 (2022: RMB3,000,000) from the Non-Related Parties, and the amount had been recognised in profit or loss (Note 8). Additionally, CQYL has discharged its obligation as guarantor as the Non-Related Parties had paid off the debts and thus the Group has recognised a reversal of provision for RMB67,777,000 during the financial year.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

21. PROVISIONS (CONTINUED)

Provision on litigation case (continued)

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 2023.

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 RMB41,818,00 (2022: RMB41,818,000) during the financial year ended 31 December 2023 in relation to the development project of the Group as the subsidiary did not complete the development within the stipulated period.

During the financial year ended 31 December 2022, 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.

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.

On 7 April 2023, the Chongqing No. 5 Intermediate People's Court of the PRC (the "Court") served the Company and various of its subsidiaries the first-instance judgement relating to the legal proceedings (the "First-Instance Judgement"). The First-Instance Judgement dismissed the Plaintiff's application to make the Company and various of its Subsidiaries to be jointly liable with CEL for the monies that the Plaintiff is claiming against CEL, which the Company and various of its subsidiaries are not liable whatsoever.

CEL is dissatisfied with the First-Instance Judgement and had filed an appeal to the Chongqing Higher People's Court in accordance with the laws of the PRC and the Chongqing Higher People's Court accepted the case on 31 May 2023.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

21. PROVISIONS (CONTINUED)

Legal proceedings (continued)

According to the relevant case materials delivered by the Court, the Company understands that the Plaintiff has also refused to accept the First-Instance Judgement and has filed an appeal to the Chongqing Higher People's Court. The legal proceedings have entered into the second-instance legal proceedings stage, and the outcome of the legal proceedings will be based on the final enforceable judgement pursuant to the laws of the PRC.

Based on current information available and the legal advice from the Company's Chinese legal counsel, the management 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, the 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 announcements, which were 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") (collectively, the "Debtors") in respect of the Debtors' 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. The Group through its appointed lawyer has attended the arbitral tribunal on 31 August 2023 and 29 November 2023 respectively, and presented relevant supporting documents for the amount to be claimed from the Debtors.

As at 31 December 2023, the net outstanding receivables from the Debtors included in non-trade receivables from non-related parties amounts to RMB262,710,000 (2022: RMB262,710,000) (Note 13), calculated based on the gross outstanding balance of RMB575,350,000 (2022: RMB575,350,000) net of loss allowance of RMB312,640,00 (2022: RMB312,640,000) recognised in previous years.

Notwithstanding that the outcome of the arbitration proceedings is still unknown and the Group is awaiting further notification from China Chongqing Arbitration Commission, the management has reviewed the recoverability of the outstanding receivables from the Debtors and is of the opinion that the expected credit loss allowance had been adequately provided for as at 31 December 2023. The management has considered the progress of the arbitration proceedings commenced by the Group with the China Chongqing Arbitration Commission to recover the receivables. In addition, there are active ongoing discussions with Hengda Chongqing regarding recovery of the receivables through project collaboration.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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	
	2023	2022
	RMB'000	RMB'000
Beginning of financial year	(365,181)	(471,027)
(Charged)/credited to profit or loss (Note 10)	(31,528)	105,846
End of financial year	(396,709)	(365,181)

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				
Group				
2023				
Beginning of financial year	–	87,250	–	87,250
Credited to profit or loss	–	52,500	–	52,500
End of financial year	–	139,750	–	139,750
2022				
Beginning of financial year	–	–	–	–
Credited to profit or loss	–	87,250	–	87,250
End of financial year	–	87,250	–	87,250

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. DEFERRED INCOME TAXES (CONTINUED)

	GROUP			
	INVESTMENT PROPERTIES RMB'000	FINANCIAL ASSET, AT FVPL RMB'000	OTHERS RMB'000	TOTAL RMB'000
Deferred income tax liabilities				
Group				
2023				
Beginning of financial year	440,952	–	11,479	452,431
Charged to profit or loss	69,698	–	14,330	84,028
End of financial year	510,650	–	25,809	536,459
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

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 RMB1,393,621,000 (2022: RMB1,318,288,000). 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 RMB139,362,100 (2022: RMB131,828,800) relating to the undistributed earnings has not been recognised.

23. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES	AMOUNT RMB'000
Company		
2023 and 2022		
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.

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For the financial year ended 31 December 2023

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 Everbright Hero Mauritius Limited (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 new shares of the Company at a conversion price of S$0.125 per share.

As a result of the Amendment Deed, the Group recognised net reversal of distribution of RMB417,507,000 in the consolidated statement of changes in equity in the financial year ended 31 December 2022.

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% (2022: 4.00%). 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.

Distribution for the financial year ended 31 December 2023 was RMB36,086,000.

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 right for conversion under the conversion option of 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.

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For the financial year ended 31 December 2023

25. OTHER RESERVES

	GROUP	
	2023 RMB'000	2022 RMB'000
(a) Composition:		
Reverse acquisition reserve	(2,034,754)	(2,034,754)
Convertible bonds reserve	–	42,458
Statutory common reserve	91,018	91,018
Currency translation reserve	(142,620)	(93,769)
	(2,086,356)	(1,995,047)
(b) Movements:		
(i) Reverse acquisition reserve		
Beginning and end of financial year	(2,034,754)	(2,034,754)
(ii) Convertible bonds reserve		
Beginning of financial year	42,458	42,458
Transfer to accumulated losses	(42,458)	–
End of financial year	–	42,458
(iii) Statutory common reserve		
Beginning and end of financial year	91,018	91,018
(iv) Currency translation reserve		
Beginning of financial year	(93,769)	34,880
Net currency translation differences arising from consolidation	(48,851)	(128,649)
End of financial year	(142,620)	(93,769)

	COMPANY	
	2023 RMB'000	2022 RMB'000
(a) Composition:		
Convertible bonds reserve	–	42,458
Currency translation reserve	(59,579)	(41,098)
	(59,579)	1,360
(b) Movements:		
(i) Convertible bonds reserve		
Beginning of financial year	42,458	42,458
Transfer to accumulated losses	(42,458)	–
End of financial year	–	42,458
(ii) Currency translation reserve		
Beginning of financial year	(41,098)	(11,043)
Net translation differences	(18,481)	(30,055)
End of financial year	(59,579)	(41,098)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. OTHER RESERVES (CONTINUED)

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.

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	
	2023	2022
	RMB'000	RMB'000
Not later than one year	166,048	162,486
Between one and five years	450,166	423,857
Later than five years	233,562	223,289
	849,776	809,632

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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.

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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:

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Group				
2023				
Financial assets				
Cash and cash equivalents	276,655	12,327	29,388	318,370
Trade and other receivables	296,006	295	–	296,301
Intra-group receivables	4,962,637	823,882	2,368,807	8,155,326
	5,535,298	836,504	2,398,195	8,769,997
Financial liabilities				
Trade and other payables	(290,569)	(289,765)	(17,373)	(597,707)
Borrowings	(1,506,104)	(89,575)	(836,259)	(2,431,938)
Intra-group payables	(4,962,637)	(823,882)	(2,368,807)	(8,155,326)
	(6,759,310)	(1,203,222)	(3,222,439)	(11,184,971)
Net financial liabilities	(1,224,012)	(366,718)	(824,244)	(2,414,974)
Less: Net financial liabilities denominated in the respective entities' functional currencies	1,323,052	366,718	–	1,689,770
Currency exposure of financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies	99,040	–	(824,244)	(725,204)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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				
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 financial assets/ (liabilities) net 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 2023

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:

	RMB RMB'000	SGD RMB'000	USD RMB'000	TOTAL RMB'000
Company				
2023				
Financial assets				
Cash and cash equivalents	15	10,981	3,075	14,071
Trade and other receivables	1,226,948	329,004	1,036,562	2,592,514
	1,226,963	339,985	1,039,637	2,606,585
Financial liabilities				
Trade and other payables	(485,115)	(657,928)	(590,082)	(1,733,125)
Borrowings	–	(89,575)	(383,194)	(472,769)
	(485,115)	(747,503)	(973,276)	(2,205,894)
Net financial assets/(liabilities)	741,848	(407,518)	66,361	400,691
Add: Net financial liabilities denominated in the Company's functional currencies	–	407,518	–	407,518
Currency exposure of financial assets net of those denominated in the Company's functional currency	741,848	–	66,361	808,209

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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 financial assets net of those denominated in the Company's functional currency	746,734	–	20,124	766,858

Sensitivity analysis

A 1% (2022: 1%) strengthening of RMB 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	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
RMB	990	1	7,418	7,467
USD	(8,242)	(7,510)	664	201

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(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 and related party. The Group's policy is to obtain the most favourable interest rates available without increasing its exposure.

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	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities				
Fixed rate				
Bond notes	–	215,912	–	390,034
Loans from a related party	472,769	183,551	472,769	183,551
	472,769	399,463	472,769	573,585
Floating rate				
Bank borrowings	1,959,169	2,076,500	–	–
	1,959,169	2,076,500	–	–

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial liabilities, a change of 50 basis points (2022: 50 basis points) in interest rate at the reporting date would (decrease)/increase profit 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	DECREASE
	RMB'000	RMB'000
Group		
2023		
Floating rate instruments	(9,796)	9,796
2022		
Floating rate instruments	(10,383)	10,383

(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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Movement in loss allowances on trade and other receivables:

	TRADE RECEIVABLES RMB'000	OTHER RECEIVABLES RMB'000	TOTAL RMB'000
Group			
2023			
Beginning of the financial year	1,568	350,192	351,760
Charge to profit or loss	3,301	–	3,301
Written-off	(72)	–	(72)
End of the financial year (Note 13)	4,797	350,192	354,989
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

As at 31 December 2023, the Company held net non-trade receivables from its subsidiaries amounting to RMB2,592,219,000 (2022: RMB2,684,842,000). 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 2023 is RMB302,056,000 (2022: RMB302,056,000).

Financial guarantee contracts

As at 31 December 2023, the Company has issued financial guarantees to banks for borrowings of its subsidiaries amounting to RMB1,054,065,000 (2022: RMB1,097,753,000) (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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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			
2023			
Trade and other payables	326,088	271,619	–
Borrowings	1,605,942	566,485	458,734
	1,932,030	838,104	458,734
2022			
Trade and other payables	387,171	224,092	–
Borrowings	513,963	1,864,056	418,944
	901,134	2,088,148	418,944

	LESS THAN 1 YEAR RMB'000	BETWEEN 1 TO 5 YEARS RMB'000
Company		
2023		
Trade and other payables	1,461,506	271,619
Borrowings	472,769	–
Financial guarantee contracts	1,054,065	–
	2,988,340	271,619
2022		
Trade and other payables	1,435,719	224,092
Borrowings	573,585	–
Financial guarantee contracts	1,097,753	–
	3,107,057	224,092

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings	2,431,938	2,475,963	472,769	573,585
Cash and cash equivalents	(318,370)	(370,773)	(14,071)	(2,677)
Net debt	2,113,568	2,105,190	458,698	570,908
Total equity	1,969,222	2,035,763	3,518,970	3,571,198
Total capital	4,082,790	4,140,953	3,977,668	4,142,106
Gearing ratio	52%	51%	12%	14%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

(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 2023

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	
	2023	2022
	RMB'000	RMB'000
Level 3		
Financial asset, at FVPL	–	210,000

There were no transfers between Level 1, Level 2 and Level 3 of fair value measurement hierarchy during the financial years ended 31 December 2023 and 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT[3]	RANGE
2023		
Direct comparison method, income approach, replacement cost method, and residual method	selling price per square metre [1]	RMB43,300 - RMB44,400
	discount rate[2]	5%
	occupancy rate[1]	44% - 88%
	rental growth rate[1]	3%
	gross development value per square metre[1]	RMB22,900
	value of to-be-developed land per square metre[1]	RMB15,300
2022		
Direct comparison method, income approach, replacement cost method, and residual method	selling price per square metre[1]	RMB52,100
	discount rate[2]	7%
	occupancy rate[1]	85% - 98%
	rental growth rate[1]	3% - 5%
	gross development value per square metre[1]	RMB25,600
	value of to-be-developed land per square metre[1]	RMB19,400

(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 2023 and 2022.

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 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	GROUP		COMPANY	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial asset, at FVPL	–	210,000	–	–
Financial assets, at amortised cost	614,671	728,957	2,606,585	2,687,825
Financial liabilities, at amortised cost	3,029,645	3,087,226	2,205,894	2,233,396

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	
	2023 RMB'000	2022 RMB'000
Key management personnel		
- salaries, wages and other related costs	5,365	8,343

(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	
	2023 RMB'000	2022 RMB'000
Interest expenses charged by a related party	27,714	8,177
Management fees and related costs charged by an associate of controlling shareholder	6,533	5,868
Distribution/(reversal of distribution) on perpetual convertible securities payable to controlling shareholder - net	36,086	(417,507)

Outstanding balances as at 31 December 2023, arising from transactions with related parties, are unsecured and are disclosed in Notes 13, 19 and 20 respectively.

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For the financial year ended 31 December 2023

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

29. SEGMENT INFORMATION (CONTINUED)

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
2023				
Revenue				
Total segment sales	191,167	17,351	–	208,518
Adjusted EBIT	93,766	(22,312)	56,226	127,680
Finance expenses	–	(41,630)	(114,782)	(156,412)
Interest income	–	–	9,865	9,865
Fair value gain on investment properties	278,791	–	–	278,791
Fair value loss on financial asset, at FVPL	–	(210,000)	–	(210,000)
Segment profit/ (loss) before income tax	372,557	(273,942)	(48,691)	49,924
Depreciation of property, plant and equipment	–	–	4,261	4,261
Segment assets	4,384,444	1,369,002	306,290	6,059,736
Segment assets includes:				
Additions to:				
- Property, plant and equipment	–	–	2,391	2,391
Segment liabilities	1,608,529	808,085	1,673,900	4,090,514

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. SEGMENT INFORMATION (CONTINUED)

	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 income 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

(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.

	2023 RMB'000	2022 RMB'000
Revenue – the PRC	208,518	166,125
Non-current assets		
- The PRC	4,417,558	4,354,981
- Singapore	1,519	17
	4,419,077	4,354,998

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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 to the financial statements.

Revenue of RMB33,228,000 (2022: RMB32,262,000) is 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 2024 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 2024).
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

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 waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 1-7 *Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures:*
Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 16 *Leases:*
Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

31. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Ying Li International Real Estate Limited on 3 April 2024.

SHAREHOLDERS' **INFORMATION**

As at 20 March 2024

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 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	6	0.16	240	0.00
100 - 1,000	73	1.94	55,775	0.00
1,001 - 10,000	1,150	30.58	8,960,600	0.35
10,001 - 1,000,000	2,485	66.07	192,548,663	7.53
1,000,001 and above	47	1.25	2,355,474,746	92.12
Total	**3,761**	**100.00**	**2,557,040,024**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2024

(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%

SHAREHOLDERS' **INFORMATION**

As at 20 March 2024

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.

(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 partnership 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 partnership 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. 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 2024

TWENTY LARGEST SHAREHOLDERS AS AT 20 MARCH 2024

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	115,042,044	4.50
4	DBS NOMINEES PTE LTD	102,737,564	4.02
5	POH CHOO BIN	42,753,500	1.67
6	PHILLIP SECURITIES PTE LTD	34,509,700	1.35
7	OCBC SECURITIES PRIVATE LTD	28,327,750	1.11
8	LIM HONG CHING	25,208,000	0.99
9	UOB KAY HIAN PTE LTD	22,525,800	0.88
10	RAFFLES NOMINEES (PTE) LIMITED	15,728,996	0.61
11	MAYBANK SECURITIES PTE. LTD.	14,237,400	0.56
12	DB NOMINEES (SINGAPORE) PTE LTD	11,806,700	0.46
13	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	9,300,000	0.36
14	CHEONG CHOONG KONG	7,762,000	0.30
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,564,600	0.30
16	PENG XIALIN	5,944,000	0.23
17	TAN OOI NYUK	5,500,000	0.21
18	LOH KERN SIANG	5,500,000	0.21
19	MERRILL LYNCH (SINGAPORE) PTE LTD	4,267,047	0.17
20	YUN KWANG HUN	4,000,000	0.16
		2,305,260,938	**90.15**

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 2024

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 THE **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of Ying Li International Real Estate Limited (the "**Company**") will be held at Ballroom 1, Level 6, One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 on Tuesday, 30 April 2024 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 2023 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company ("**Directors**") retiring pursuant to the Company's Constitution:

   Ms Wang Yun (retiring pursuant to Article 90) **(Resolution 2)**
   Mr Ren Chao (retiring pursuant to Article 90) **(Resolution 3)**
   Mr Loh Weng Seng Vincent (retiring pursuant to Article 90) **(Resolution 4)**
   Mr Chen Guodong (retiring pursuant to Article 106) **(Resolution 5)**
   [See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$300,000 for the financial year ending 31 December 2024, payable quarterly in arrears.
   [See Explanatory Note (ii)] **(Resolution 6)**

4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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:-

   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

NOTICE OF THE **ANNUAL GENERAL MEETING**

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 8)**

By Order of the Board

Toh Li Ping, Angela
Company Secretary

15 April 2024

NOTICE OF THE **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) Ms Wang Yun will, upon re-election as a Director, remain as the Non-Executive and Non-Independent Chairman of the Company and members of the Audit Committee ("**AC**") and the Risk Management Committee ("**RMC**"), and will be considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Ren Chao will, upon re-election as a Director, remain as an Executive Director of the Company, a member of the Nominating Committee ("**NC**") and Acting Chief Executive Officer ("**CEO**") of the Group.

Mr Loh Weng Seng Vincent will, upon re-election as a Director, remain as an Independent Director of the Company and the chairman of the Remuneration Committee ("**RC**"), and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Chen Guodong will, upon re-election as a Director, remain as an Independent Director of the Company and members of the NC and the RC, 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 6 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 2024 ("**FY2024**").

Should any Director hold office for only part of FY2024 and not the whole of FY2024, the Director's fee payable to him/her will be appropriately pro-rated.

(iii) The Ordinary Resolution 8 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 8;

(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 8, 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.

Notes:

General

1. The AGM of the Company will be held in a wholly physical format at Ballroom 1, Level 6, One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 and there will be no option for Shareholders to participate virtually ("**Physical Meeting**"). Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.

2. Authenticated shareholders and proxy(ies) will be able to ask questions in person at the Physical Meeting. Arrangements have also been put in place to permit shareholders to submit their questions ahead of the AGM. Please refer to Notes 12 to 14 below for further details.

3. Live voting by poll will be conducted during the AGM for shareholders and proxy(ies) attending the Physical Meeting.

NOTICE OF THE **ANNUAL GENERAL MEETING**

Voting by Proxy

4. A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend the AGM and vote. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its 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 AGM 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; or

   (b) a person holding a capital markets services licence to provide custodial services 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 of Singapore (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF 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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. A proxy need not be a member of the Company.

7. The completed and signed Proxy Form must be submitted to the Company in the following manner:

   (a) by depositing a hard copy 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 28 April 2024 ("**Proxy Deadline**"), being forty-eight (48) hours before the time appointed for the AGM.

8. A member who wishes to submit a Proxy Form must first **complete and sign** the Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

9. 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.

10. Investors who hold shares under the Central Provident Fund ("**CPF**") Investment Scheme and/or the Supplementary Retirement Scheme ("**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 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. 18 April 2024 at 5.00 p.m.).

11. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, 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 seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF THE **ANNUAL GENERAL MEETING**

Submission of questions prior to the AGM

12. 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.

13. To do so, all questions must be submitted by 2.00 p.m. on 23 April 2024 through any of the following means:

    (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 email to the Company at main@zicoholdings.com.

    If the questions are deposited in physical copy at the Company's 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.

14. 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 business 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 Proxy Deadline, or otherwise at the AGM. 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.

Personal Data Privacy:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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), the 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 the 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 15 April 2024)

The following additional information on Ms Wang Yun, Mr Ren Chao, Mr Loh Weng Seng Vincent and Mr Chen Guodong, 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 19 of this Annual Report.

	WANG YUN	**REN CHAO**	**LOH WENG SENG VINCENT ("VINCENT LOH")**	**CHEN GUODONG**
Date of Appointment	14 July 2023	3 April 2024	10 August 2023	14 June 2019
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable	Not Applicable	27 April 2022
Age	55	59	58	58
Country of principal residence	China	China	Singapore	China
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, Ms Wang Yun's contribution to the business and operations of the Company as well as Board processes, has recommended to the Board the re-election of Ms Wang Yun who will be retiring pursuant to Article 90 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Ms Wang Yun 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 Mr Ren Chao'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 Ren Chao who will be retiring pursuant to Article 90 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Mr Ren Chao 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, Mr Vincent Loh'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 Vincent Loh who will be retiring pursuant to Article 90 of the Company's Constitution at the forthcoming AGM. The Board supported the NC's recommendation. Mr Vincent Loh 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, Mr Chen Guodong'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 Chen Guodong 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 Chen Guodong 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**

	WANG YUN	**REN CHAO**	**LOH WENG SENG VINCENT ("VINCENT LOH")**	**CHEN GUODONG**
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Chairman of the Company and members of the Audit Committee ("**AC**") and the Risk Management Committee ("**RMC**")	Executive Director, Acting CEO and a member of the NC	Independent Director of the Company and Chairman of the Remuneration Committee ("**RC**")	Independent Director of the Company and members of the NC and the RC.
Professional qualifications	Please refer to the Directors' respective biographies on pages 17 to 19 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 19 of this Annual Report.			
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil
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	Nil

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING FOR RE-ELECTION**

	WANG YUN	REN CHAO	LOH WENG SENG VINCENT ("VINCENT LOH")	CHEN GUODONG
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
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	Yes
Other Principal Commitments*	Please refer to the Directors' respective biographies on pages 17 to 19 of this Annual Report.			
Other Directorships for the past 5 years	1. China Everbright Holdings Company Limited 2. Everbright Grand China Assets Limited	Nil	Nil	Nil
Other Present Directorships	1. China Everbright Limited 2. China Everbright (Group) Limited's Representative Office in Macau 3. China Aircraft Leasing Group Holdings Limited	Nil	1. CPG International Pte Ltd 2. CPG Advisory Shanghai 3. CPG Consultants (Macau) 4. CPG Vietnam 5. Kazakhstan Singapore Business Council 6. DEW International Consultants Pte Ltd 7. Mirai Investments Pte Ltd	Nil

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING FOR RE-ELECTION**

	WANG YUN	**REN CHAO**	**LOH WENG SENG VINCENT ("VINCENT LOH")**	**CHEN GUODONG**
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	Not applicable

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.

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YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199106356W)

PROXY FORM

This Proxy Form has also been made available on SGXNET at the following URL: https://www.sgx.com/securities/company-announcements and the Company's corporate website at the following URL: https://www.yingligj.com/.

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**" or "**Meeting**") and vote (please see note 4 for the definition of "**Relevant Intermediary**").
2. For investors who have used their Central Provident Fund ("**CPF**") monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is send solely FOR INFORMATION ONLY.
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. 18 April 2024 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 at Ballroom 1, Level 6, One Farrer Hotel, 1 Farrer Park Station Road, Singapore 217562 on Tuesday, 30 April 2024 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**
ORDINARY BUSINESS				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2	Re-election of Ms Wang Yun as a Director			
3	Re-election of Mr Ren Chao as a Director			
4	Re-election of Mr Loh Weng Seng Vincent as a Director			
5	Re-election of Mr Chen Guodong as a Director			
6	Approval of Directors' fees amounting to S$300,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears			
7	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company			
SPECIAL BUSINESS				
8	Share Issue Mandate			

* Delete where inapplicable

** If you wish to use your votes "For", "Against" or Abstain, please indicate with a "√" within the box provided under "For" or "Against". Otherwise, please indicate number of votes "For", "Against" or "Abstain" for each resolution within the box provided. If you mark "√" in the "Abstain" box for a particular resolution, you are directing your proxy(ies) not to vote on that resolution.

Dated this _____day of_____, 2024

TOTAL NUMBER OF SHARES HELD IN:	
CDP Register	
Register of Members	

_____

Signature(s) of member(s)

or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ OVERLEAF.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against 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, 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy shall be deemed to relate all the Shares held by you.

2. A member of the Company entitled to attend and vote at the meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member 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.

4. 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.

5. 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, **no later than 2.00 p.m. on 28 April 2024, being forty-eight (48) hours before the time appointed for the AGM**.

   A member who wishes to submit a Proxy Form must first **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.

6. Completion and return of this Proxy Form shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends 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 Meeting.

7. This Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of an officer or attorney duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

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 15 April 2024.

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 seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

英利国际
YINGLI INTL

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