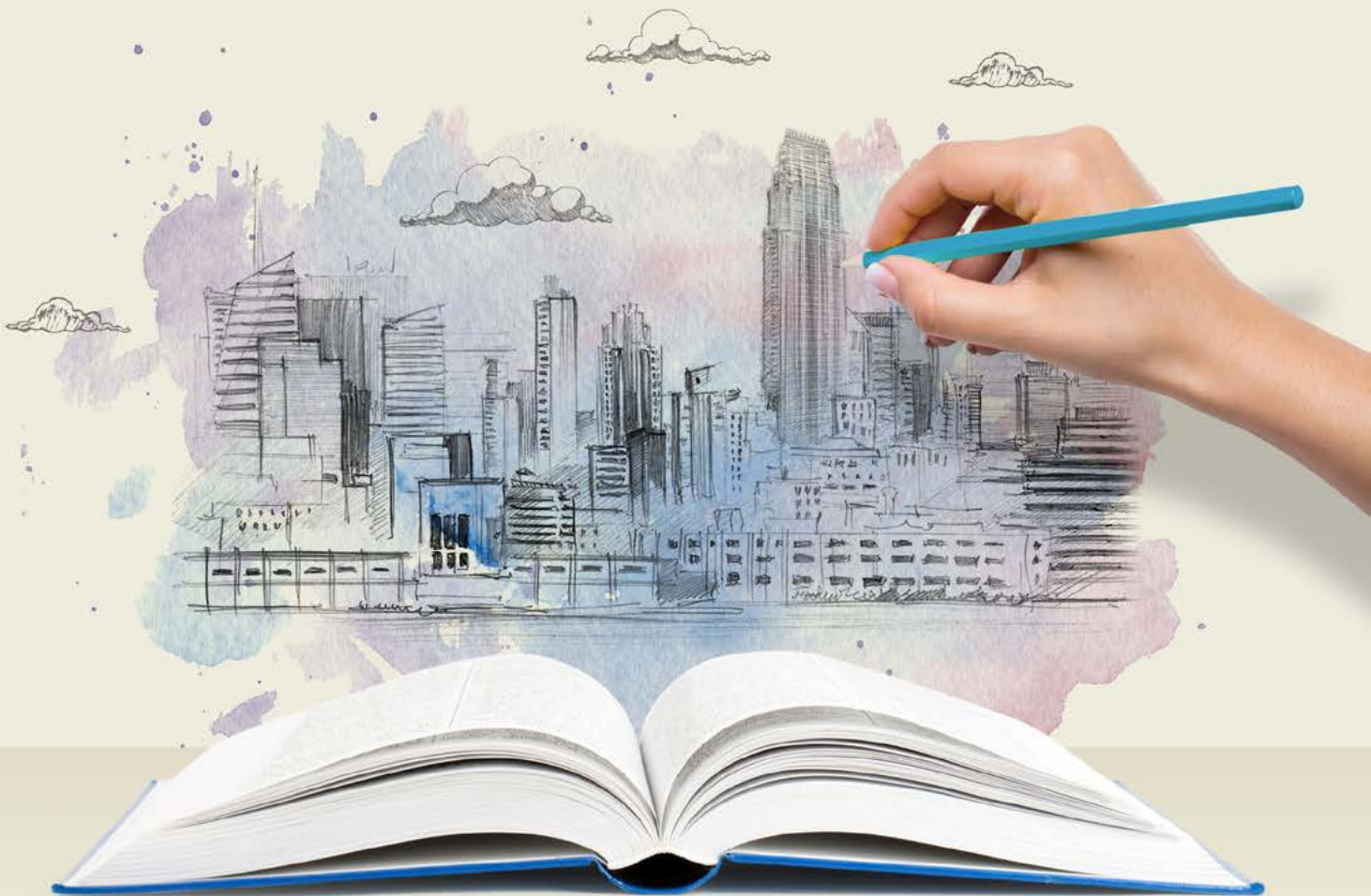


英利国际
YING LI INTL

WELCOMING A NEW CHAPTER

ANNUAL REPORT 2020



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

CORPORATE PROFILE

Ying Li International Real Estate Limited (“Ying Li” or the “Company” and together with its subsidiary corporations, the “Group”) is a premier Chongqing-based property developer, principally engaged in the development, sale, rental, management and long-term ownership of high quality commercial, residential and bespoke properties in the prime locations of Chongqing. Ying Li is a subsidiary of China Everbright Limited (“CEL”), a public company listed on The Stock Exchange of Hong Kong Limited (“SEHK”) (stock code:165.HK).

Established in 1993, Ying Li has a strong reputation for innovative design and urban renewal, having transformed areas of an old city into high-value urban integrated commercial developments of office space and shopping malls. In the process, it has successfully modernised the landscape of Chongqing’s main business districts, with several landmark commercial buildings such as New York New York, Zou Rong Plaza, Future International and Ying Li International Financial Centre which are occupied by prestigious companies.

Ying Li is well-recognised for its outstanding design, premium quality, ecofriendly features and rich user-experience in commercial property developments, and is well-positioned to capitalise on the strong market growth in Chongqing as well as other fast-growing regions of China. With CEL on board as its Parent Company, Ying Li is poised to achieve long-term sustainable growth.

Over the years, Ying Li has won numerous industry awards and accolades including “Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category)” and Chongqing’s “Top 50 Real Estate Development Enterprises Award” for 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015 and 2017. Ying Li was also conferred the 2015 Most Outstanding Commercial Real Estate Business by China Index Academy, Development Research Centre of the State Council and Institute of Real Estate Studies of Tsinghua University. The Group’s strong track record and reputation have provided an advantage in securing land in prime locations, for building premier commercial and residential developments.

Ying Li is listed on the Mainboard of the Singapore Exchange (“SGX-ST”) under the stock code 5DM.

董事局主席致辞



MR. ZHANG MINGAO

Non-Executive and Non-Independent Chairman

2020年初新冠肺炎疫情突如其来，给全球经贸局势带来较为明显的冲击和改变。受到疫情和贸易摩擦的叠加影响，中国经济先抑后扬。为破局楼市存量时代，响应“双循环”的新发展格局，顿开多元的消费市场，开启新的竞争赛道。

虽然2020年无数超出想象的困难险阻曾经接踵而至，但也是在这一年，“嫦娥”奔月震撼人心，脱贫摘帽振奋人心，中国成为全球唯一实现经济正增长的国家。面对复杂的经济形势，英利国际管理团队一方面认真做好疫情防控，另一方面认真落实抓经营促发展，将疫情损失降到了最低，稳定了公司的经营和管理，做好了各种风险防控，加强了对流动性的保障，规范和加强了内控管理，战略规划及业务发展举措日益清晰。

2021年，公司将进一步深化政企合作，同时利用新加坡上市公司优势和重庆地缘优势，深入打造跨境不动产资产管理平台，因势而谋、应势而动、顺势而为。

2021年，因势而谋、应势而动、顺势而为。

2021年是中国“十四五”规划开局之年，是中国继续科学精准实施宏观政策的一年。2021年，公司将进一步深化政企合作，同时利用新加坡上市公司优势和重庆地缘优势，深入打造跨境不动产资产管理平台，因势而谋、应势而动、顺势而为。

2021年宏观环境仍然严峻，公司仍将继续加强内控管理，做好风险事件的防范，保持谨慎策略。同时，我们也代表董事会，衷心感谢长期以来支持公司的各位股东、客户和合作伙伴。

CHAIRMAN'S STATEMENT

The sudden outbreak of COVID-19 in early 2020 has brought on significant impact and disruptions to the global economy. Affected by the COVID-19 pandemic and intensifying trade tensions, the Chinese economy contracted at the start of 2020 but quickly entered into a recovery phase thereafter. Aligning towards the "dual circulation" development strategy outlined by the Chinese government, China's emphasis on growth through exports is being bolstered by a focus on domestic demand. As a result, the Chinese consumer market is expanding into a multi-faceted phase, creating new possibilities and opportunities.

2020 has been a year of unprecedented challenges that seemed to remain unabated. However, with the achievement of several milestones on the technology front (such as landing a robotic spacecraft on the moon), the ongoing progress on poverty eradication as well as recovering strongly from the pandemic to become the only major economy to report economic growth, China showcased green shoots of hope and confidence.

Faced with a complex economic and operating environment, the management team's first course of action was the implementation of measures to prevent the spread of COVID-19. At the same time, the Group took

strategic steps to minimise the impact from the pandemic, stabilise its operations and undertook additional risk management measures. The key objectives were to strengthen the Group's liquidity position, streamline and improve its management controls so that the Group has greater visibility for its strategic development and business expansion plans moving ahead.

2021 marks the start of China's 14th Five-Year Plan for its economic development. China will continue to implement macroeconomic policies based on scientific studies and methodologies. In 2021, Ying Li shall forge ahead in deepening its private-public partnership while at the same time, capitalise on its listing status in Singapore and track record in Chongqing to develop a cross-border property asset management platform.

The outlook for 2021 remains challenging and Ying Li will continue to work towards strengthening its internal controls and improving its risk management framework, while adopting a prudent approach to business. On behalf of the Board of Directors, we would like to take this opportunity to express our heartfelt thanks to all our shareholders, customers and business partners for their continual support and trust.

In 2021, Ying Li shall continue to deepen our private-public partnership. At the same time, capitalise on its listing status in Singapore and track record in Chongqing to develop a cross-border property asset management platform.



FINANCIAL REVIEW



	FY2020	FY2019	FY2018
	RMB ('000)	RMB ('000)	RMB ('000)
Revenue	231,035	358,925	752,631
Sale of Properties	63,996	141,580	543,972
Rental Income	167,039	217,345	208,659
Gross profit	138,252	206,864	297,165
Sale of Properties	17,711	39,272	128,423
Rental Income	120,541	167,592	168,742
Total assets	7,234,799	7,722,764	9,241,267
Total liabilities	4,615,510	4,719,040	5,467,240
Total equity	2,619,289	3,003,724	3,774,027

For financial year ended 31 December 2020 ("FY2020"), the Group's revenue decreased by 35.6% year-on-year ("Y-o-Y"), or RMB 127.9 million to RMB 231.0 million (FY2019: RMB 358.9 million). The decline was due to the decrease in sales of properties by RMB 77.6 million and decrease in rental income by RMB 50.3 million.

Revenue from the sales of properties decreased by 54.8% Y-o-Y, or RMB 77.6 million to RMB 64.0 million (FY2019: RMB 141.6 million), mainly attributed to lower sales of commercial and residential units at Ying Li International Plaza, Lion City Garden and Ying Li International Hardware and Electrical Centre ("IEC") in FY2020.

Rental income decreased by 23.1% Y-o-Y or RMB 50.3 million to RMB 167.0 million (FY2019: RMB 217.3 million), mainly due to temporary closure of retail malls and retail spaces during first half of 2020 amid the Covid-19 outbreak to support the Chinese Government and local authorities' measures to curb the spread of the virus. In addition, rental reliefs were provided to support the Group's tenants as its retail spaces reopened gradually.

Gross profit for FY2020 decreased by 33.2% Y-o-Y or RMB 68.6 million, to RMB 138.3 million (FY2019: RMB 206.9 million) in tandem with the decrease in both sales of properties and rental income in FY2020.

Other income decreased by 32.9% Y-o-Y or RMB 9.0 million to RMB 18.3 million in FY2020 (FY2019: RMB 27.3 million), mainly due to lesser interest income obtained in FY2020 and the recognition of one-off income from a tenant contract breach in FY2019.

Selling expenses for FY2020 decreased by 50.7% Y-o-Y or RMB 35.6 million, to RMB 34.6 million (FY2019: RMB 70.2 million), mainly due to (i) a decrease in variable components of advertising and promotion activities amounting to RMB

FINANCIAL REVIEW

19.9 million which was consistent with the decrease in revenue for FY2020, and (ii) a reclassification of staff costs amounting of RMB 15.7 million from selling expenses to administrative expenses due to the restructuring last year.

For FY2020, administrative expenses decreased by 32.0% Y-o-Y or RMB 45.2 million, to RMB 95.7 million (FY2019: RMB 140.9 million), mainly due to a decrease of RMB 60.9 million in staff related costs as well as legal and professional fees. The reduction in such costs was partly offset by the reclassification of RMB 15.7 million in selling expenses as mentioned above.

As at 31 December 2020, an independent valuation of the investment properties held by the Group was carried out by Colliers International (Hong Kong) Limited. Based on the completed valuation report, the Group recognised a fair value loss of RMB 19.0 million in FY2020 in relation to the slight weakening of the commercial property market in Chongqing in 2020.

Separately, KPMG Advisory (Hong Kong) Limited was commissioned to provide an updated and independent valuation on Beijing New Everbright Centre as at 31 December 2020. Based on the completed valuation report, the Group recognised a fair value loss of RMB 100.0 million in FY2020 that is mainly due to the negative impact from COVID-19 and stricter property policies imposed by the local authorities, prolonging the property development and sales period. These factors have also resulted in higher development expenditures such as finance costs, leading to the reduction of forecasted margins of the project.

The Group's finance costs in FY2020 decreased by 12.4% Y-o-Y or RMB 21.2 million to RMB 150.1 million (FY2019: RMB 171.3 million), mainly due to lower weighted average interest rates in FY2020 and the decrease in outstanding loan principal.

For FY2020, other gains were recognised as compared to other losses recorded in FY2019, mainly due to reversal of liabilities on legal cases based on latest assessment and reversal of over-accrued payables based on progressive negotiation with suppliers/contractors on completed projects.

Tax expense for FY2020 increased by RMB 160.9 million as compared to tax benefit posted for FY2019, mainly due to lesser deferred tax credit on fair value losses recognised in FY2020.

Overall, the Group reported loss attributable to the ordinary shareholders of the Company of RMB 187.8 million in FY2020 (FY2019: Loss of RMB 523.4 million).

FINANCIAL POSITION

As at 31 December 2020, the Group's total assets decreased by 6.3% or RMB 488.0 million, to RMB 7,234.8 million (31 December 2019: RMB 7,722.8 million), mainly due to (i) a decrease in fair value of investment properties and other investment of RMB 119.0 million and disposal of partial investment properties of RMB 10.0 million, (ii) a decrease in development properties of RMB 76.2 million arising from the handover of completed properties and expense off certain development costs capitalised, (iii) a decrease in prepaid tax and other prepayment of RMB 31.1 million, and (iv) a decrease in cash and cash equivalents of RMB 244.7 million mainly for the loan principal and interest repayment.

The Group's total liabilities decreased by 2.2% or RMB 103.5 million, to RMB 4,615.5 million (31 December 2019: RMB 4,719.0 million), mainly due to (i) a decrease in bank loan of RMB 176.0 million as a result of loan principal repayments, (ii) a decrease in deferred taxation liabilities of RMB 35.3 million from fair value loss of investment properties and other investment, and (iii) a decrease of provision of taxation from land appreciation tax of RMB 40.9 million and provisions of RMB 50.2 million, partially offset by an increase in trade and other payable of RMB 198.9 million.

The Group's total equity decreased by RMB 384.4 million to RMB 2,619.3 million (31 December 2019: RMB 3,003.7 million), mainly due to a decrease in retained profits of RMB 436.6 million, partially offset by a decrease in translation deficit of RMB 60.1 million.

As at 31 December 2020, the Group's net asset value attributable to the equity holders of the Company stood at RMB 2,614.7 million (31 December 2019: RMB 2,991.1 million), representing net asset value per share of RMB 1.02 (31 December 2019: RMB 1.17).

CASH FLOW

The Group's net cash outflows of RMB 125.6 million from operating activities was mainly attributable to the net settlement to trade and other payables of RMB 73.3 million, and provision of RMB 13.8 million, an increased trade and other receivables of RMB 13.1 million and net interest paid of RMB 130.4 million, partially offset by (i) a decrease from development properties of RMB 76.2 million and a decrease in investment properties of RMB 8.2 million, and (ii) cash from operating profit before working capital changes of RMB 20.6 million.

Net cash outflows from financing activities of RMB 122.4 million was due to the net repayment of borrowings amounting to RMB 132.5 million, partially offset by the net decrease in restricted deposits with financial institutions amounting to RMB 10.1 million.

Overall, the Group's unrestricted cash and cash equivalents stood at RMB 388.2 million as at 31 December 2020.

OPERATIONS REVIEW

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

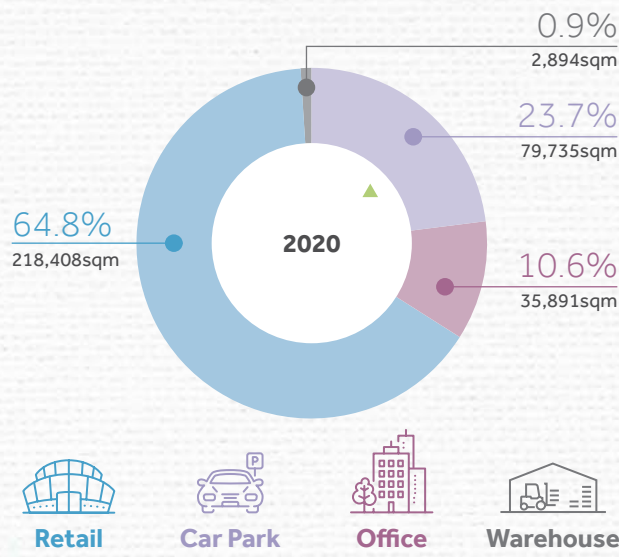
Amidst the COVID-19 pandemic, China remains the only major economy for which its Gross Domestic Product is expected to grow in 2020. However, it has achieved the lowest rate of annual growth in more than 40 years with the nationwide shutdowns of businesses, factories and manufacturing plants that formed part of the pandemic containment efforts.

In addition, the Chinese government has initiated new regulations and controls in most of the major Chinese cities in the recent years to prevent the real estate industry from overheating and facilitate the development of a long-term management mechanism for the real estate market in China.



PROPORTION OF GFA BY DIFFERENT TYPES OF INVESTMENT PROPERTIES

Total GFA: 336,928 sqm (as at 31 December 2020)





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

In Chongqing, the economy has posted consistent improvements from July 2020, according to the 2020 Chongqing Economic Performance Report.

SECTOR REVIEW

Chongqing Office Market

According to Savills Research reports issued in January 2021 ("Savills Research Reports"), the vacancy rate of Grade A office was approximately 30% and the current supply pressure in Chongqing Grade A office market is expected to maintain at high level.

With the central government positioning the Chengdu-Chongqing Economic Circle as "two centres with national influence", Chongqing is expected to see high-quality development opportunities and the leasing demand for office market will be further released, according to the Savills Research Reports.

Chongqing Retail Market

Chongqing's total retail sales of consumer goods reached RMB 1,059.7 billion, a nominal increase of 0.4% from January to November 2020.

However, the overall leasing demand in Chongqing's retail real estate market has weakened due to the lingering fallout from COVID-19. In 2021, more than 500,000 square metres of new supply is expected to enter the Chongqing's retail property market.

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 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. The management is also evaluating the options and appropriate timing to develop the unutilised land portions of these two projects.

Leasing of Properties Segment

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

Separately, for the retail rental segment, retailers are looking to improve consumer engagement through additional touchpoints and more meaningful experiences to enhance differentiation in an increasingly competitive retail market.

The Group continues to closely monitor new retail trends and create new retail concepts with its tenants so that its retail properties continue to be relevant and interesting to its targeted group of consumers at various locations.

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 4 SOHO towers, has been completed. Construction of Phase 2, which comprises two office towers and a retail podium, is in progress and one of the office towers has been sold while the remaining office tower is put up for sale to prospective buyers. Phase 3 comprises one premium office tower and retail podium, of which the project management team is reviewing the development plan so as to be consistent with the additional policies initiated by local authorities for the property industry.

OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2020

FUTURE INTERNATIONAL

Type: Retail / Office

Status: Completed

Land Area: 8,667 sqm

Total GFA: 135,540 sqm

• **Office:** 54,907 sqm

• **Retail Mall:** 59,600 sqm

• **Car Park / Others:** 21,033 sqm

GFA owned: 81,940 sqm

Future International is located at the heart of the Chongqing's Guanyinqiao CBD, the busiest shopping and entertainment districts 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 was fully sold, while the retail mall is retained by the Group and operating on long-term lease arrangements with two master tenants.



OPERATIONS REVIEW



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

Type: Retail / Office

Status: Completed

Land Area: 8,927 sqm

Total GFA: 177,327 sqm

• **Office:** 89,971 sqm

• **Retail Mall:** 49,873 sqm

• **Car Park / Others:** 37,483 sqm

GFA owned: 94,220 sqm

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



OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2020

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

Type: Retail/Office/Residential

Status: Completed

Land Area: 28,226 sqm

Total GFA: 409,141 sqm

• **Residential / SOHO:** 116,445 sqm

• **Office:** 78,695 sqm

• **Retail Mall:** 100,524 sqm

• **Car Park / Others:** 113,477 sqm

GFA owned: 132,564 sqm

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



OPERATIONS REVIEW



SAN YA WAN PHASE 2 (LION CITY GARDEN)

Type: Retail/Residential

Status: Under development

Land Area: approx. 134,636 sqm

Total GFA: approx. 347,536 sqm

Total Sales and Contracted

Pre-sales as at 31 December 2020:

RMB899.0 million

The Lion City Garden project occupies a strategic location in the Liangjiang New Area, Chongqing. The project comprises premium residential townhouses, high-rise apartments as well as retail outlets. The Lion City Garden project is in close proximity to transportation nodes, shopping and lifestyle amenities as well as popular schools. The San Ya Wan station on Metro Line 10 situated directly in front of the project has commenced operations at the end of 2017. Handovers of Phase 2A, Phase 2B and Phase 2C of the project have commenced in 2015, 2016 and 2016/2017 respectively. Phase 2D is a commercial development project with 52,623 sqm GFA and it is under planning stage. The management is evaluating the options and appropriate timing to develop the unutilised land of this project.



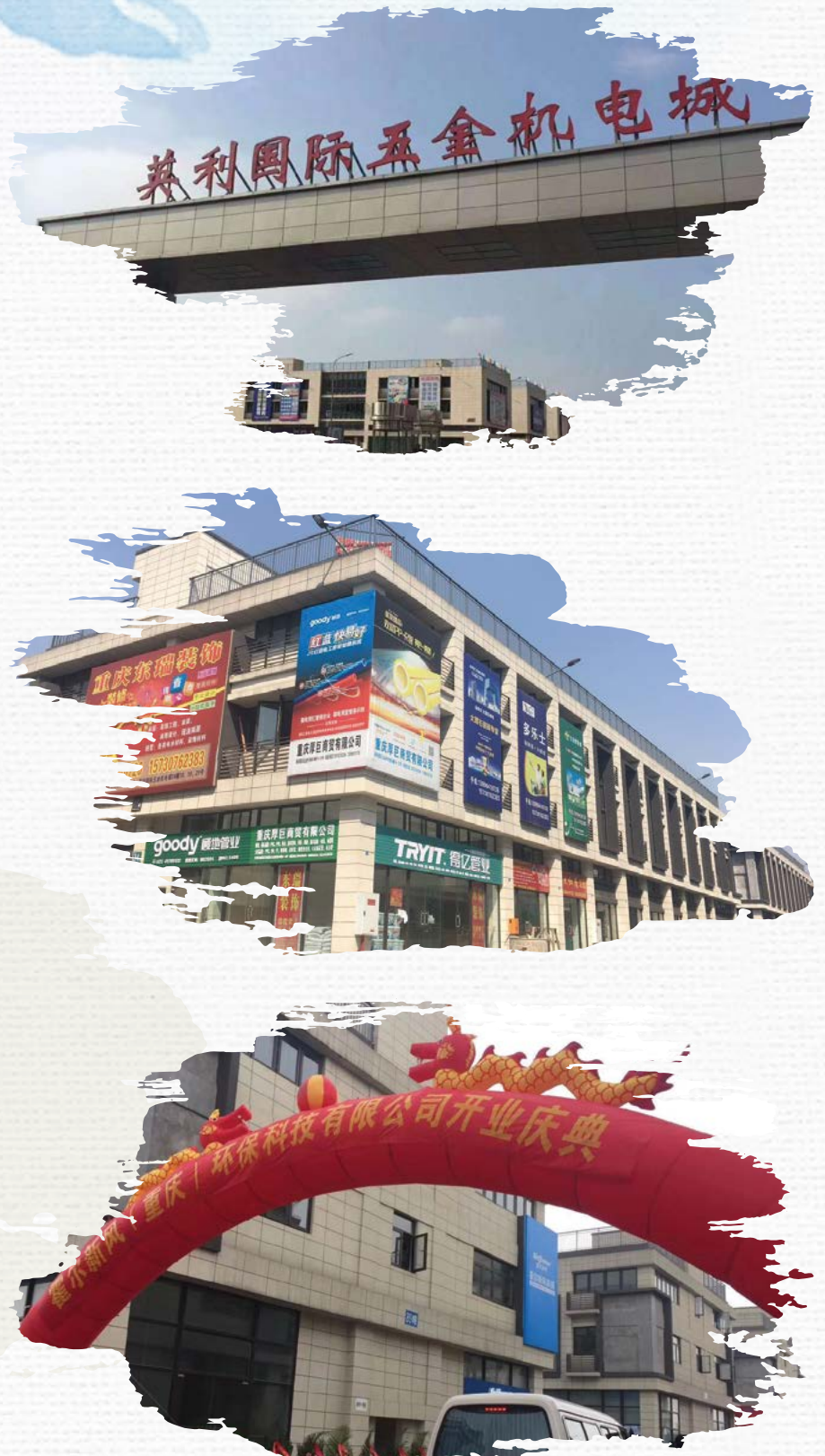
OPERATIONS REVIEW

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2020

YING LI INTERNATIONAL HARDWARE AND ELECTRICAL CENTRE (IEC)

Type: Commercial
(Build-to-order Wholesale Centre, Retail, Hotels, Residential, Logistics Distribution Centre)
Status: Under development
Land Area: approx. 360,708 sqm
Total GFA: approx. 642,820 sqm
Total Sales and Contracted Pre-sales as at 31 December 2020: RMB1,444 million

Nestled in Jiangjin Shuangfu District, the up-and-coming secondary CBD of Chongqing, IEC is the Group's first bespoke mixed-development project. This considerable-sized project comprises a wholesale centre, retail outlets, hotels, SOHO and logistics distribution centre. Aimed at amalgamating and strengthening the fragmented traditional hardware and electrical market in Chongqing, this project is a strategic collaboration between the Group and Chongqing Hardware & Electrical Industry Association Alliance which provides a ready customer base from its nine trade associations. The development of remaining 204,252 sqm GFA is at planning stage. The management is evaluating the options and appropriate timing to develop the unutilised land portions of this project.



OPERATIONS REVIEW

BEIJING NEW EVERBRIGHT CENTRE – BEIJING TONGZHOU

Type: SOHO/Office/Retail
Status: Under development
Land Area: approx. 57,000 sqm
Total GFA: approx. 770,000 sqm
Total Sales and Contracted Pre-sales as at 31 December 2020: RMB8.2 billion

Beijing Tongzhou officially became the city's new municipal administration centre in 2017. According to the plan released by the Beijing government in March 2017, Beijing Tongzhou 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, partnering with CEL and other esteemed partners. Phase 1 construction, consisting of 4 SOHO towers, has been completed while two office towers of the Phase 2 construction has been topped off in 2019. Part of the retail podium under the Phase 2 construction is still renovation in progress. A framework agreement has been entered with a buyer for one of the office tower while the other office tower has been put up for sale to prospective buyers as at end December 2020. Phase 3 construction consists of one premium office tower and the remaining part of the retail podium was at the piling stage as of end December 2020.

OTHER PROJECTS AT A GLANCE

1997

MINSHENG MANSION

Description:
First skyscraper in Yuzhong district

Type:
Commercial & Residential

Completion Date:
December 1997

Total GFA (sqm):
63,342



2000

ZOU RONG PLAZA

Description:
Chongqing's first financial industry focused project

Type:
Commercial & Residential

Completion Date:
December 2000

Total GFA (sqm):
102,502



2004

SOUTHLAND GARDEN

Description:
Chongqing's first high-end residential project

Type:
Residential & Retail

Completion Date:
December 2004

Total GFA (sqm):
57,009



2005

NEW YORK NEW YORK

Description:
Received one of China's
highest architectural
accolades

Type:
Commercial

Completion Date:
March 2005

Total GFA (sqm):
41,337



2007

BASHU CAMBRIDGE

Description:
One of first enterprise
educational institution
partnerships

Type:
Residential & Retail

Completion Date:
February 2007

Total GFA (sqm):
43,086

2009

SAN YAN WAN PHASE 1 AND 1A

Description:
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 2020

1997

2000

2004

2005

**MINSHENG
MANSION**

**ZOU RONG
PLAZA**

**SOUTHLAND
GARDEN**

**NEW YORK
NEW YORK**

ADDRESS

No. 181 Minsheng Road,
Yuzhong Yuzhong
District, Chongqing

ADDRESS

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

ADDRESS

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

ADDRESS

No. 108 Bayi Road,
Yuzhong District,
Chongqing

USAGE

Office, Retail and Car Park

USAGE

Retail, Office and Car Park

USAGE

Office, Retail and Car Park

USAGE

Car Park

LAND USE

RIGHT EXPIRY:

Commercial –
September 2033

LAND USE

RIGHT EXPIRY:

Commercial –
January 2046

LAND USE

RIGHT EXPIRY:

Commercial –
November 2042

LAND USE

RIGHT EXPIRY:

Commercial –
January 2042

COMPLETION DATE:

December 1997

COMPLETION DATE:

December 2000

COMPLETION DATE:

December 2004

COMPLETION DATE:

March 2005

2006

2007

2011

2013

**FUTURE
INTERNATIONAL**

**BASHU
CAMBRIDGE**

**YING LI
INTERNATIONAL
FINANCIAL CENTRE/
YING LI IMIX PARK
JIEFANGBEI**

**YING LI
INTERNATIONAL
PLAZA/
YING LI IMIX
PARK DAPING**

ADDRESS

No. 6 Guanyinqiao
Pedestrian Street,
Jiangbei District,
Chongqing

ADDRESS

No. 8 Bashu Road,
Yuzhong District,
Chongqing

ADDRESS

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

ADDRESS

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

USAGE

Retail and Car Park

USAGE

Retail and Car Park

USAGE

Office, Retail and Car Park

USAGE

Retail and Car Park

LAND USE

RIGHT EXPIRY:

Commercial –
March 2045

LAND USE

RIGHT EXPIRY:

Commercial –
September 2044

LAND USE

RIGHT EXPIRY:

Commercial –
December 2044

LAND USE

RIGHT EXPIRY:

Commercial –
July 2050

COMPLETION DATE:

December 2006

COMPLETION DATE:

February 2007

COMPLETION DATE:

December 2011

COMPLETION DATE:

December 2013

BOARD OF DIRECTORS

MR. ZHANG MINGAO

Non-Executive and Non-Independent Chairman

Mr. Zhang Mingao was appointed to the Board in November 2019. He was last re-elected on 22 May 2020. Mr. Zhang is the Non-Executive and Non-Independent Chairman and a Member of the Remuneration Committee of the Company. Mr. Zhang is an Executive Director and the President of CEL. He is also the Chairman of Everbright Jiabao Co., Ltd., a public company listed in Shanghai Stock Exchange.

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



DR. YANG HAISHAN

Non-Executive and Non-Independent Director

Dr. Yang Haishan was appointed to the Board in June 2020. Dr. Yang is the Non-Executive and Non-Independent Director of the Company. Dr. Yang Haishan is a Managing Director of Asset Allocation and Investment Management Centre at CEL. Before joining CEL, he was a Deputy General Manager with Beijing Lichun Asset Management. Prior to that, he served as a General Manager of Equity Investment at Dacheng Innovative Capital Management and Investment Management Director at China Investment & Development.

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

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



MR. TANG CHI CHUN

Non-Executive and Non-Independent Director

Mr. Tang Chi Chun, Richard was appointed as a Non-Executive and Non-Independent Director of the Company in June 2019. He was last re-elected on 22 May 2020. He is an Executive Director and the Chief Financial Officer of CEL. Mr. Tang is a Non-Executive Director of China Aircraft Leasing Group Holdings Limited, a public company listed on SEHK. He was a Director of Everbright Securities Company Limited from February 2008 to January 2011. Mr. Tang is a Certified Public Accountant and is a graduate of the Accountancy Department, Hong Kong Polytechnic (now known as Hong Kong Polytechnic University). He is a Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Founding Member of Hong Kong Business Accountants Association. He has over 30 years of experience in audit, investment, accounting and finance. Since 1990, Mr. Tang had been engaged as head of the financial and operational functions of various international financial institutions.



MR. HU BING

Non-Executive Director and Non-Independent Director

Mr. Hu Bing ceased to be the Executive Director and Group CEO with effect from 7 December 2020. Prior to joining the Group, he was the President of EBA (Beijing) Asset Management Co., Ltd. and held stints in Lenovo Holdings and Lenovo Raycom Investment as Executive Director. Mr. Hu graduated from Peking University's Guanghua School of Management and holds a MBA from Hong Kong University of Science and Technology.



MR. CHIA SENG HEE, JACK

Lead Independent Director

Mr. Chia Seng Hee, Jack was appointed as the Lead Independent Director of the Company in July 2018. He was last re-elected on 29 April 2019. He is the Chairman of the Audit Committee and the Nominating 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 Dukang Distillers Holdings Limited, mm2 Asia Ltd. and CDW Holding Limited. Mr. Chia brings to the Group significant experience in corporate governance and risk management.



BOARD OF DIRECTORS

MR. TAN SEK KHEE

Independent Director

Mr. Tan Sek Khee is an Independent Director of the Company. He was last re-elected on 29 April 2019. He is also currently an Independent Director of SGX-listed ASL Marine Holdings Limited. Mr. Tan also serves as shareholding partner & director of several private companies located in Singapore, Indonesia, Thailand and China. Mr. Tan brings to the Group extensive experience in general management, business development, marketing, procurement and logistics. He has more than 30 years of corporate and business experience in Singapore, Indonesia, Thailand and China.

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



MR. CHEN GUO DONG

Independent Director

Mr. Chen Guodong was appointed as an Independent Director of the Company in June 2019. He was last re-elected on 22 May 2020. 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).



KEY MANAGEMENT

MR. KOOI WEI BOON

*Group Chief Financial Officer and
General Manager of Corporate Finance Department*

Mr. Kooi Wei Boon was appointed as Group Chief Financial Officer (“CFO”) of the Group in September 2019. He is responsible for overseeing the Group’s financial functions including accounting, internal controls, financial and management reporting, financing, capital management, tax, treasury, financial analysis, M&A support and risk management.

Mr. Kooi has extensive experience in the 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 on 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. ZHANG HANQIU

Group Vice President

Mr. Zhang Hanqiu was appointed as the Group Vice President on 1 September 2020. He has over two decades of working experience in the 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.

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 investments and financing of the Group. Prior to joining the Group, Ms. Qu was the Chief Financial Officer at EBA (Beijing) Asset Management Co., Ltd.’s Guangzhou Project.

MS. 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. YANG MEI

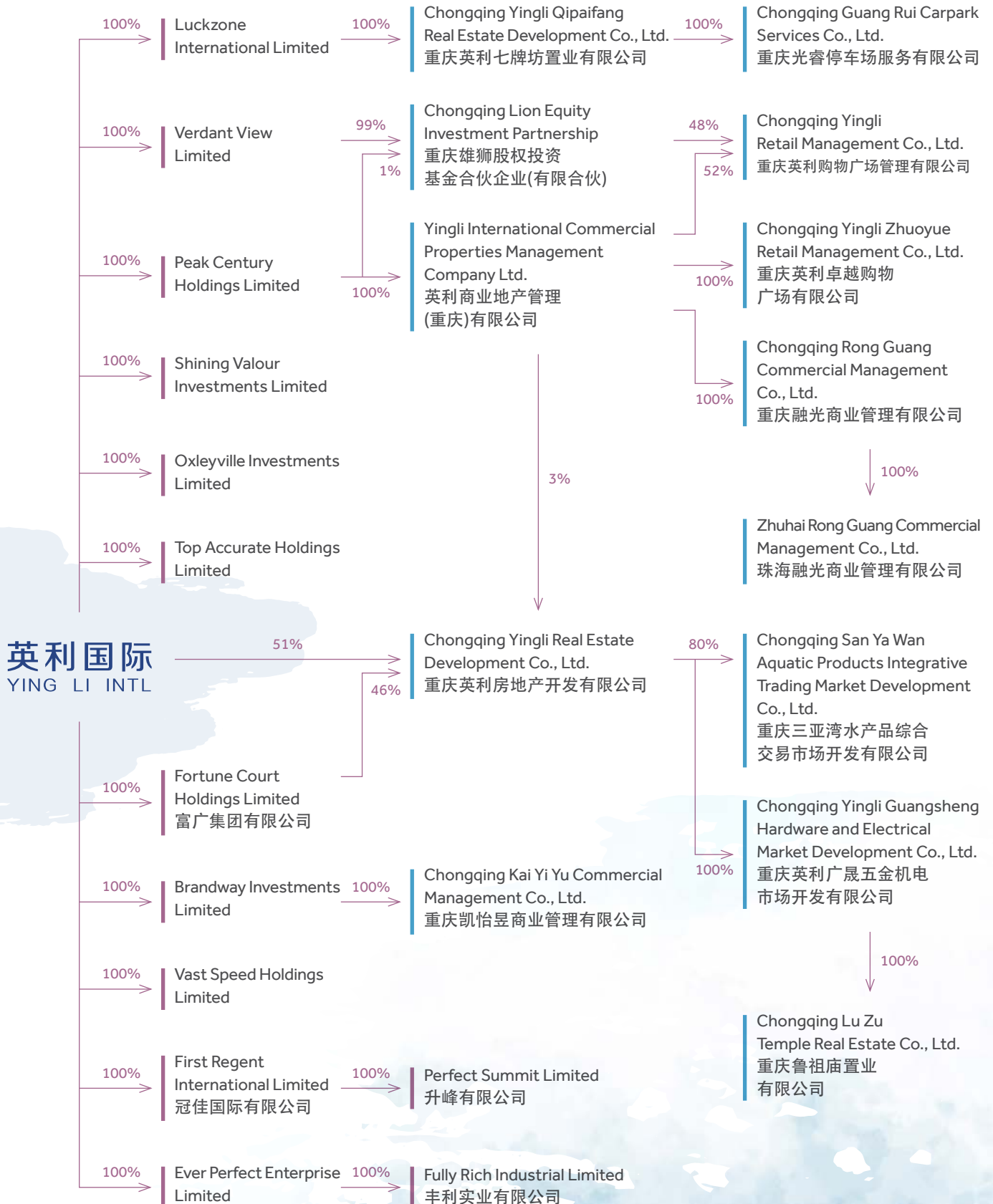
Group Financial Controller

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

CORPORATE STRUCTURE

— 英利集团在岸主体 onshore

— 英利集团离岸主体 offshore



CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

199106356W

BOARD OF DIRECTORS

Zhang Mingao

(Non-Executive and Non-Independent Chairman)

Yang Haishan

(Non-Executive and Non-Independent Director)

Tang Chi Chun

(Non-Executive and Non-Independent Director)

Hu Bing

(Non-Executive and Non-Independent Director)

Chia Seng Hee, Jack

(Lead Independent Director)

Tan Sek Khee

(Independent Director)

Chen Guodong

(Independent Director)

AUDIT COMMITTEE

Chia Seng Hee, Jack

(Chairman)

Tan Sek Khee

Tang Chi Chun

NOMINATING COMMITTEE

Chia Seng Hee, Jack

(Chairman)

Yang Haishan

Chen Guodong

REMUNERATION COMMITTEE

Tan Sek Khee

(Chairman)

Zhang Mingao

Chen Guodong

COMPANY SECRETARIES

Abdul Jabbar Bin Karam Din (Hons)

Toh Li Ping, Angela (ACIS)

REGISTERED OFFICE

6 Temasek Boulevard #21-01

Suntec Tower Four

Singapore 038986

Tel: (65) 6334 9052

Fax: (65) 6334 9058

Email address: ir@yingligj.com

SHARE REGISTRAR

B.A.C.S. Private Limited

8 Robinson Road

#03-00 ASO Building

Singapore 048544

AUDITORS

Nexia TS Public Accounting Corporation

Public Accountants and Chartered Accountants

80 Robinson Road #25-00

Singapore 068898

AUDIT PARTNER-IN-CHARGE

Low See Lien

Date of Appointment: With effect from financial year ended 31 December 2019

PRINCIPAL BANKERS

China Construction Bank

DBS Bank

Standard Chartered Bank

China Minsheng Bank

AWARDS AND ACCOLADES



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

2017 Three-Star Rated Office Building - Ying Li International Plaza

2017年度五星级楼宇

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

CHONGQING JIANGJIN FANGCHENGANG INTERREGIONAL COOPERATION DEMONSTRATION PROJECT – YING LI 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 - Ying Li 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

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CORPORATE GOVERNANCE

The Board is committed to ensuring that the highest standards of corporate governance are practised throughout 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 2020 ("**FY2020**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 ("**Code**"), Guideline 2.4 of the Code of Corporate Governance 2012 which is applicable prior to 1 January 2022, and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"), the Companies Act (Chapter 50) 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 ensure that the necessary financial and human resources are in place for the Group to meet its objectives, which include appropriate focus on value creation, innovation and sustainability;
- overseeing financial reporting and reviewing the financial results of the Group and financial reporting;
- monitoring the implementation of such strategies, constructively challenging Management and reviewing the business performance and the Group's performance;
- considering sustainability issues such as environmental, social and governance factors, as part of the strategic formulation including identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;
- instilling an ethical corporate culture and ensuring the Company's values, standards and practices are consistent with its ethos and are adhered to, and ensuring that obligations to shareholders of the Company ("**Shareholders**") and other stakeholders are transparent, understood and met;
- approving the appointment of Directors and other key management personnel (as defined in the Code wherever it appears in this report), taking into consideration the recommendations of the Nominating Committee ("**NC**");
- approving the remuneration packages for the Executive Directors and key management personnel, taking into consideration the recommendations of the Remuneration Committee ("**RC**");
- establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and prudent and effective internal controls to safeguard the Shareholders' interests and the Group's assets, taking into consideration feedback and recommendations from the Audit Committee ("**AC**");

CORPORATE GOVERNANCE

- approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding and investment proposals, 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 might have a conflict of interest, in relation to any matter, he is required to send a written notice to the Company containing details of his 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 from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of meeting and/or Directors' Resolutions in writing of the Company.

Provision 1.2 – Induction, training and development of Directors

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

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

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

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

CORPORATE GOVERNANCE

Mr. Chen Guodong who was appointed as an Independent Director of the Company on 14 June 2019, is a First-time Director. He has attended certain electives of the Listed Entity Directors Programme conducted by the SID on 7 August 2019 and 8 August 2019, namely, LEDM 5 – AC Essentials (Mandarin), LEDM 6 – Board Risk Committee Essentials (Mandarin), LEDM 7 – NC Essentials (Mandarin) and LEDM 8 – RC Essentials (Mandarin). However, due to the COVID-19 situation, he was not able to complete the remaining core modules of the Mandatory Training within one year from the date of his appointment to the Board. In addition, there were no upcoming online courses for the Listed Entity Directors Programme conducted in Chinese by the SID. In view thereof, the Company notes that SGX-ST has no objections to the extension of an additional 1 year up to 14 June 2021 for Mr. Chen Guodong to complete the remaining core modules of the Mandatory Training.

Dr. Yang Haishan who was appointed as Non-Executive and Non-Independent Director of the Company on 5 June 2020, is also a First-time Director. He has attended certain core modules of the Listed Entity Directors Programme conducted by the SID on 22 October 2020, 23 October 2020 and 26 October 2020, namely, LEDM 1 – Listed Entity Director Essentials (Mandarin), LEDM 2 – Board Dynamics (Mandarin), LEDM 3 – Board Performance (Mandarin) and LEDM 4 – Stakeholder Engagement (Mandarin), and endeavours to attend the remaining elective modules of the Mandatory Training within one year from the date of his appointment to the Board.

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 disclosable transactions, major transactions, very substantial acquisitions or reverse take-overs under Chapter 10 of the Listing Manual;
- entry into new loan agreements or debt securities issued by the Company or any of its subsidiaries that contain a condition (the “**Condition**”) that make reference to the controlling shareholder’s shareholding interest, and the breach of this Condition will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal of the loan or debt securities, significantly affecting the operations of the Company or results in the Company facing cash flow problems (for the avoidance of doubt, this does not include the renewal of, or extension of, existing borrowings); and
- any matter under Singapore 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 of Director and/or (iii) approval of the Shareholders of the Company.

CORPORATE GOVERNANCE

Provision 1.4 – Delegation by the Board

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

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

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

The composition of the Board and each Board Committee as at the date of this Annual Report is as follows:

Name of Director	Position	Board Committee Membership		
		AC	NC	RC
Zhang Mingao	Non-Executive and Non-Independent Chairman	–	–	Member
Yang Haishan ⁽¹⁾	Non-Executive and Non-Independent Director	–	Member	–
Tang Chi Chun ⁽²⁾	Non-Executive and Non-Independent Director	Member	–	–
Hu Bing ⁽³⁾	Non-Executive and Non-Independent Director	–	–	–
Chia Seng Hee, Jack ("Jack Chia")	Lead Independent Director	Chairman	Chairman	–
Tan Sek Khee	Independent Director	Member	–	Chairman
Chen Guodong	Independent Director	–	Member	Member

Notes:

- ⁽¹⁾ Dr. Yang Haishan was appointed as the Non-Executive and Non-Independent Director on 5 June 2020. He was subsequently appointed as a member of the NC on 26 February 2021.
- ⁽²⁾ Mr. Tang Chi Chun was appointed as a member of the AC on 28 February 2020.
- ⁽³⁾ Mr. Hu Bing ceased to be the Executive Director, Group Chief Executive Officer ("CEO") and a member of the NC with effect from 7 December 2020. Accordingly, he was re-designated to a Non-Executive and Non-Independent Director.

No alternate Director was appointed to the Board in FY2020.

CORPORATE GOVERNANCE

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.

The number of Board and Board Committee meetings and general meetings, i.e. annual general meeting (“AGM”) and extraordinary general meeting (“EGM”), held from 1 January 2020 to 31 December 2020, as well as the attendance of every Board member at these meetings are disclosed in the following table:

Name of Directors	General meetings				Board Committees’ meetings							
	AGM		EGM		Board		AC		RC		NC	
	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended	No. of meetings Held	No. of meetings Attended
Zhang Mingao	1	1	1	0	5	5			2	2		
Yang Haishan ⁽¹⁾	–	–	–	–	3	3					–	–
Tang Chi Chun ⁽²⁾	1	1	1	0	5	5	3	3				
Jack Chia	1	1	1	1	5	5	4	4			2	2
Tan Sek Khee	1	1	1	1	5	5	4	4	2	2		
Chen Guodong	1	1	–	0	5	5			2	2	2	2
Chen Hongfei ⁽³⁾	1	1	1	0	2	2						
Hu Bing ⁽⁴⁾	1	1	1	1	5	4					2	2
Pan Ying ⁽⁵⁾	1	0	1	0	1	0	1	0				
Xiao Zu Xiu ⁽⁶⁾	1	0	1	0	1	1						

Notes:

- ⁽¹⁾ Dr. Yang Haishan was appointed as Non-Executive and Non-Independent Director on 5 June 2020. His attendance at the Board meetings held during the aforementioned period was recorded from the date of his appointment thereof. Subsequently, he was appointed as a member of the NC on 26 February 2021.
- ⁽²⁾ Mr. Tang Chi Chun was appointed as a member of the AC on 28 February 2020. His attendance at the AC meetings held during the aforementioned period was recorded from the date of his appointment thereof.
- ⁽³⁾ Mr. Chen Hongfei resigned as Non-Executive and Non-Independent Director on 5 June 2020. His attendance at the Board meetings held during the aforementioned period was recorded up to the date of his resignation thereof.
- ⁽⁴⁾ Mr. Hu Bing ceased to be the Executive Director and Group Chief Executive Officer and a member of the NC on 7 December 2020. Accordingly, he was re-designated to a Non-Executive and Non-Independent Director. His attendance at the NC meetings held during the aforementioned period was recorded up to the date of his re-designation thereof.
- ⁽⁵⁾ Mr. Pan Ying stepped down as a member of the AC on 28 February 2020. Subsequently, he retired as the Non-Executive and Non-Independent Deputy Chairman of the Company pursuant to Article 106 of the Constitution at the conclusion of the AGM held on 22 May 2020. His attendance at the AC and Board meetings held during the aforementioned periods were recorded up to the date which he ceased to be a member of the AC and retired as the Non-Executive and Non-Independent Deputy Chairman thereof.
- ⁽⁶⁾ Mr. Xiao Zu Xiu retired as an Independent Director of the Company pursuant to Article 106 of the Constitution at the conclusion of the AGM held on 22 May 2020. His attendance at the Board meetings held during the aforementioned period was recorded up to the date of his retirement thereof.

CORPORATE GOVERNANCE

Provision 1.6 – Complete, adequate and timely information

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

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

Provision 1.7 – Company Secretaries and independent 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.

The Board, with the concurrence of the NC, had adopted a declaration of independence pursuant to Provision 2.1 of the Code and Rules 210(5)(d)(i) and 210(5)(d)(ii) of the Listing Manual ("**Revised Definition on Director's Independence**").

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

The Board comprises seven members of whom four are Non-Executive and Non-Independent Directors (one of whom is the Chairman of the Board) and three are Independent Directors.

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

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Although the Independent Directors do not make up a majority of the Board where the Chairman is not independent, being a variation from Provision 2.2 of the Code, the Non-Executive Directors make up a majority of the Board and the Independent Directors make up more than one-third of the Board. The Independent Directors and the Non-Executive and Non-Independent Directors make up the whole of the Board. As such, the Board is satisfied that it is able to exercise objective judgement on corporate affairs independently and no individual or select group of individuals are allowed to dominate the Board's decision-making process. Accordingly, there is a strong and independent element on the Board and in line with Principle 2 of the Code, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

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

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

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

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

Based on the current scope and nature of the Group's operations, the NC and the Board review the size of the Board and the Board Committees 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 and expertise, which facilitates effective decision making.

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

No individual or select group of individuals dominates the Board's decision-making process. The Board also obtains views from its Independent Directors. The Chairman of the Board establishes boundaries of risk undertaken by the Group and ensures the governance system is in place and regularly evaluated which the Board is the opinion that there is a strong and independent element on the Board.

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

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

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

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

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

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

PRINCIPLE 3: CHAIRMAN AND CEO

Provisions 3.1 and 3.2 – Chairman and CEO

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

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

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

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

Mr. Hu Bing was appointed as Executive Director on 17 August 2017 and the Group CEO on 14 June 2019. Mr. Hu Bing ceased to be Executive Director and the Group CEO with effect from 7 December 2020. During the interim period, the Group CEO's duties has been temporarily undertaken by Dr. Yang Haishan, a Non-Executive and Non-Independent Director of the Company. The search for an appropriate candidate(s) for the office of the Group CEO is currently on-going.

Mr. Zhang Mingao, Mr. Hu Bing 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 coordinates the activities of the Non-Executive Directors of the Group and aids the Non-Executive Directors (including the Independent Directors): (i) on constructive discussion with Management; (ii) to assist Management in developing goals and objectives; and (iii) to review and monitor Management's performance.

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

PRINCIPLE 4: BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2 – NC's duties and composition

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

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

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

- the review of succession plans for directors, in particular, the appointment and/or replacement of the Chairman of the Board, the CEO and key management personnel;
- developing a process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors and assessing annually the effectiveness of the Board as a whole and the contribution and performance of each individual Directors;
- identifying new candidates and review all nominations for the appointment (including alternate director, if any), re-appointment or re-election of Directors;
- review of training and professional development programmes for the Board and the Directors; and
- determining annually, and as and when circumstances require, whether or not a Director is independent pursuant to the provisions of the Code, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE

The principal activities of the NC during FY2020 are summarised below:

- a. reviewed and adopted the updated Terms of Reference of NC pursuant to the Code;
- b. reviewed and recommended the Board Diversity Policy for adoption by the Board;
- c. reviewed the changes to the composition of the NC and AC;
- d. ratified the adoption of the performance evaluations of the AC, NC, RC, Board and self-assessment of the individual Directors, and reviewed the completed evaluations of (i) AC, (ii) NC, (iii) RC and (iv) Board and self-assessment of the individual Directors;
- e. reviewed and recommended the nominations of Directors for re-election at the AGM;
- f. performed rigorous review on the independence of the Independent Director (i.e. Mr Xiao Zu Xiu) who have served on the Board beyond nine years from the date of his first appointment;
- g. reviewed whether Directors, with multiple board representations, has been adequately carrying out his duties as a Director of the Company; and
- h. reviewed and recommended the appointment of Dr. Yang Haishan as a Non-Executive and Non-Independent Director of the Company.

Provision 4.3 – Process for selection and appointment of new Directors

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

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

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

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

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

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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 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.

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 the two Directors, namely Mr. Jack Chia and Dr. Yang Haishan, who will be retiring pursuant to Articles 106 and 90 of the Company's Constitution at the forthcoming AGM.

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

Mr. Hu Bing is due for retirement from his office as Director at the forthcoming AGM pursuant to Article 106 of the Company's Constitution. Pursuant to Article 108 of the Company's Constitution, the Company at the meeting at which a Director retires under Article 106 of the Company's Constitution may by ordinary resolution fill the vacated office by electing a person thereto. In default, the retiring Director shall be deemed to have been re-elected unless, *inter alia*, at such meeting it is expressly resolved not to fill such vacated office.

The Board, with the concurrence of the NC, has resolved that the Company will not be filling the vacated office of Mr. Hu Bing. As such, pursuant to Article 108 of the Company's Constitution, the Company will table an ordinary resolution at the forthcoming AGM to seek the Shareholders' approval not to fill the vacated office of Mr. Hu Bing. Accordingly, Mr. Hu Bing will retire as a Non-Executive and Non-Independent Director at the forthcoming AGM if such ordinary resolution is approved by the Shareholders at the forthcoming AGM.

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 Revised Definition on Director's Independence, which is deliberated upon by the NC and the Board. The NC will then review the form completed by each Independent Director to determine whether the Director is independent.

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

The Board recognises the contributions of its Independent Directors who over time, have developed deep insights into the Group's businesses and operations, and who are therefore able to provide valuable contributions to the Group. The Board, with the concurrence of the NC, having considered the Confirmation of Independence forms submitted by Mr. Jack Chia, Mr. Tan Sek Khee and Mr. Chen Guodong, concluded that they are independent and free from any relationships outlined in the Code and the Listing Manual. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

Effective 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual provides that a director will not be independent if he has been a director for an aggregate period of more than 9 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 ("**2-Tiered Voting**"). For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the issuer, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following: (X) the retirement or resignation of the director; or (Y) the conclusion of the third annual general meeting of the issuer following the passing of the resolutions.

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Currently, none of the Independent Director has served on the Board beyond nine years from the date of their first appointment. However, Mr. Tan Sek Khee, who was appointed on the Board on 29 April 2013, will exceed nine years from the date of his first appointment on 29 April 2022. The NC and the Board would be conducting a rigorous review on the independence of Mr. Tan Sek Khee and review its Board size and composition for the financial year ending 31 December 2021, taking into account the need for progressive renewal of the Board. 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.

No maximum number of listed company directorships has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations, as evident from the attendance records on page 30. 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 Committee meetings, and their attendance at such meetings, in addition to each of their principal commitments.

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

Name of Director	Date of First Appointment / Last Re-election	Directorships in other Listed Companies ⁽¹⁾	
		Current	Past 3 Years
Zhang Mingao (Non-Executive and Non-Independent Chairman)	14 November 2019 / 22 May 2020	- CEL ⁽²⁾ - Everbright Jiabao Co., Ltd ⁽³⁾	Nil
Yang Haishan (Non-Executive and Non-Independent Director)	5 June 2020 / Not applicable	Nil	Nil
Tang Chi Chun (Non-Executive and Non-Independent Director)	14 June 2019 / 22 May 2020	- CEL ⁽²⁾ - China Aircraft Leasing Group Holdings Limited ⁽²⁾	Nil
Hu Bing (Non-Executive and Non-Independent Director)	17 August 2017 / 27 April 2018	Nil	Nil
Jack Chia (Lead Independent Director)	27 July 2018 / 29 April 2019	- Dukang Distillers Holdings Limited - mm2 Asia Ltd. - CDW Holding Limited	- AGV Group Limited - Shanghai Turbo Enterprises Limited - Lifebrandz Ltd. - Combine Will International Holdings Limited - Debao Property Development Ltd
Tan Sek Khee (Independent Director)	29 April 2013 / 29 April 2019	- ASL Marine Holdings Ltd	- Europtronic Group Ltd ⁽⁴⁾
Chen Guodong (Independent Director)	14 June 2019 / 22 May 2020	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 SEHK.

⁽³⁾ Listed on the Shanghai Stock Exchange.

⁽⁴⁾ Delisted from the Official List of the SGX-ST with effect from 9.00 a.m. on 12 September 2018.

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As set out in the table above, Mr. Zhang Mingao, Mr. Tang Chi Chun, Mr. Jack Chia and Mr. Tan Sek Khee hold concurrent directorships in other listed companies for FY2020.

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

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

PRINCIPLE 5: BOARD PERFORMANCE

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

The Board has implemented a process for formally assessing its effectiveness as a whole, and that of each of its Board 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 FY2020, 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 self-evaluation based on the (1) understanding of Company's mission, vision and values; (2) corporate governance knowledge; (3) business development efforts; (4) training attendance; (5) meeting of targets set by Board (for Executive Director only) or maintenance of independence for Independent Directors (For Independent Directors only) and/or devotion of sufficient time (for Non-Executive Directors); and (6) the following key performance criteria of the Board:

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

The Chairman of the respective Board Committees are required to complete a questionnaire on the effectiveness of these Board Committees.

The 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 said assessment was not completed by Mr. Hu Bing.

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 FY2020, 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 People's

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Republic of China (“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.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provisions 6.1 and 6.2 – RC’s duties and composition

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

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

The principal duties and responsibilities of the RC include:

- taking into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the Company’s remuneration policies. In doing so, it should also consider the Company’s risk appetite and ensure that the policies are aligned to long-term goals;
- ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- setting the remuneration policy for Directors (both Executive Directors and Non-Executive Directors) and key management personnel. The Board should recommend proposed Non-Executive Directors fees for shareholders’ approval;
- monitoring the level and structure of remuneration for key management personnel relative to the internal and external peers and competitors;
- ensuring that the remuneration of the Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotion for these related employees will also be subject to the review and approval of the RC;
- reviewing the ongoing appropriateness and relevance of the Company’s remuneration policy (including but not limited to Directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered) and other benefit programmes (where appropriate);
- obtaining reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the Company, subject to the budgetary constraints imposed by the Board;
- overseeing any major changes in employee benefits or remuneration structures;

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- 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. Poor performance should not be rewarded;
- 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 SGX Listing Rules (where applicable).

The principal activities of the RC during FY2020 are summarised below:

- a. reviewed and adopted the updated Terms of Reference of RC pursuant to the Code;
- b. reviewed the remuneration of CEO, Executive Directors and key management personnel of the Group and those employees who are substantial shareholders of the Company, or are immediate family members of any Director, the CEO or a substantial shareholders of the Company (if any) for the financial year ended 31 December 2019 (“FY2019”);
- c. reviewed and recommended additional Directors’ fees for FY2019;
- d. reviewed and recommended Directors’ fees for FY2020;
- e. reviewed and renewed the Service Agreement/Contract of Executive Director(s) and/or key management personnel, which is/are due for renewal, if any; and
- f. reviewed and recommended the service agreement of Mr Zhang Hanqiu in respect of his appointment as the Group Vice President.

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.

For FY2020, the Company has entered into a service agreement with Mr Zhang Hanqiu, the Group Vice President, which sets out the terms of his remuneration. The tenure of the service agreement is for a fixed period of three years and shall automatically continue from year to year unless terminated in accordance with the service agreement. The said service agreement does not contain onerous removal clauses but provides for a notice period for termination of up to six months.

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 FY2020, there were no termination, retirement and post-employment benefits granted to Directors and key management personnel.

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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 FY2020.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

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

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

Framework for remuneration of Executive Directors and key management personnel

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

(a) Fixed and Variable Wage Components

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

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

(b) Benefits

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

(c) Share Options and Performance Share

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

As at 31 December 2020, there were no outstanding share options and share awards granted under the ESOS and PSP of the Group respectively (31 December 2019: Nil).

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.

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

The remuneration of the Directors and the former Group CEO for FY2020 is as follows:

	Salary / Director's fees	Bonus	Share options	Share-based incentives	Total
	%	%	%	%	%
Above S\$250,000 but below S\$500,000					
Hu Bing ⁽¹⁾	100	–	–	–	100
Below \$250,000					
Zhang Mingao	100	–	–	–	100
Yang Haishan ⁽²⁾	100	–	–	–	100
Tang Chi Chun ⁽³⁾	100	–	–	–	100
Chen Hongfei ⁽⁴⁾	100	–	–	–	100
Jack Chia	100	–	–	–	100
Tan Sek Khee	100	–	–	–	100
Chen Guodong	100	–	–	–	100
Pan Ying ⁽⁵⁾	100	–	–	–	100
Xiao Zu Xiu ⁽⁶⁾	100	–	–	–	100

Notes:

- ⁽¹⁾ Mr. Hu Bing ceased to be an Executive Director, the Group CEO and a member of the NC of the Company on 7 December 2020. Accordingly, he remains as a Non-Executive and Non-Independent Director of the Company.
- ⁽²⁾ Dr. Yang Haishan was appointed as a Non-Executive and Non-Independent Director of the Company on 5 June 2020. Subsequently, he was appointed as a member of the NC on 26 February 2021.
- ⁽³⁾ Mr. Tang Chi Chun was appointed as a member of the AC on 28 February 2020.
- ⁽⁴⁾ Mr. Chen Hongfei resigned as a Non-Executive and Non-Independent Director of the Company on 5 June 2020.
- ⁽⁵⁾ Mr. Pan Ying stepped down as a member of the AC on 28 February 2020. Subsequently, he retired as Non-Executive and Non-Independent Deputy Chairman of the Company pursuant to Article 106 of the Constitution at the conclusion of the AGM held on 22 May 2020.
- ⁽⁶⁾ Mr. Xiao Zu Xiu retired as Independent Director of the Company pursuant to Article 106 of the Constitution at the conclusion of the AGM held on 22 May 2020.

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The remuneration band of the five key management personnel for FY2020 is as follows:

	Salary and Bonus	Share options	Share-based incentives
	%	%	%
Above S\$250,000 but below S\$500,000			
Kooi Wei Boon	100	–	–
Qu Minli	100	–	–
Zeng Rong	100	–	–
Below S\$250,000			
Zhang Hanqiu ⁽¹⁾	100	–	–
Yang Mei	100	–	–

Note:

⁽¹⁾ Mr. Zhang Hanqiu was appointed as the Group Vice President on 1 September 2020.

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 five key management personnel (who are not Directors or the Group CEO) for FY2020 is S\$1,445,000.

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

There were no employees who are substantial Shareholders or immediate family members of a Director, the Group CEO or a substantial Shareholder, and whose remuneration exceeds S\$100,000 for FY2020.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

CORPORATE GOVERNANCE

The Company's principal operating risks includes but is not limited to:

- completion of its developments on time and within specifications;
- achievement of minimum levels of occupancy and average per square metre rental rates and sales price;
- access to adequate and reasonably priced funding;
- ability to source for new and reasonably priced land; and
- local or central government's policies and regulations that are adverse to the interests of the Group.

In addition to the above, the Company is also subject to the following risks:

- changes in PRC laws and regulations that are adverse to the interests of the Group;
- foreign exchange losses due to currency conversions (RMB-S\$-US\$);
- compliance with government requirements and debt covenants; and
- negative perceptions about the countries in which the Group has its principal operations and properties.

The Board, with the support from the AC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for FY2020 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 FY2020.

The AC continuously assesses these risks and formally undertakes a review of such risks with Management and the internal auditors annually. The AC uses 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 has put in place certain additional controls with respect to cash management and monitoring and feedback mechanisms, and the AC Chairman meets with the audit partner of the internal auditor privately at least twice a year.

Provision 9.2 – Written assurance regarding (i) financial records and financial statements; and (ii) adequacy and effectiveness of the Group's risk management and internal control systems

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

The Board has received the written assurance from Dr. Yang Haishan, the Non-Executive and Non-Independent Director and Mr. Kooi Wei Boon, Logan, 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 Company's risk management and internal control systems that as at 31 December 2020:

- (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 controls, including financial, operational, compliance and information technology controls, and risk management systems ("**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.

CORPORATE GOVERNANCE

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, 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 2020 to meet the needs of the Group, taking into account the nature and scope of its operations.

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

PRINCIPLE 10: AUDIT COMMITTEE

The Board has an AC which discharges its duties objectively.

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

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

Mr. Jack Chia (Lead Independent Director)	- AC Chairman
Mr. Tan Sek Khee (Independent Director)	- AC member
Mr. Tang Chi Chun (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. Mr. Tan Sek Khee has extensive experience in general corporate management, business development, marketing, procurement and logistics. Mr. Tang Chi Chun has over 30 years of experience in audit, investment, accounting and finance. The members of the AC, collectively, have recent and relevant expertise or experience in accounting or related financial management and are qualified to discharge the AC's responsibilities. None of the members of the AC nor the AC Chairman is a former partner or director of the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation, and in any case, for as long as they have any financial interest in the Company's existing auditing firm or auditing corporation.

The principal duties and responsibilities of the AC include:

- reviewing at least annually the audit plans and the scope of audit examination to be conducted by the internal auditors and external auditors for the purpose of evaluating the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- reviewing the internal auditors' evaluation of internal accounting controls system and appraising changes or new internal controls implemented by the Company;
- appraising and reporting to the Board on the audit works undertaken by the internal auditors and external auditors, and reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- reviewing the assistance given by Management to the internal auditors and the external auditors to ensure that there is no restriction hindering the work of the internal auditors and the external auditors;

CORPORATE GOVERNANCE

- 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 whistleblowing 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 SGX Listing Rules (where applicable).

Besides assisting the Board in discharging its responsibilities in safeguarding the Shareholders' investment and the Company's assets, the AC has been constantly reviewing the development and maintenance of 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 FY2020, the AC has met at least once with the internal auditors and Nexia TS Public Accounting Corporation ("**Nexia**" or "**External Auditors**") separately, without the presence of Management to review any matter that might be raised.

The aggregate amount of fees paid to the External Auditors for FY2020 is as follows:

- (i) Audit Fees of S\$220,000
- (ii) Non-audit services fee of S\$40,000

The AC has also conducted a review of the non-audit services provided by the External Auditors for FY2020 and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors. Pursuant to their annual review of the independence of Nexia, the AC is also satisfied with their independence for FY2020.

CORPORATE GOVERNANCE

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

The Board and the AC, having reviewed the adequacy of the resources and experience of Nexia, the audit engagement partners assigned to the audit, Nexia's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712, 715 and 716 of the Listing Manual. Pursuant to Rule 716 of the Listing Manual, the AC and Board confirmed that they are satisfied that the appointment of different auditors for certain of its subsidiary corporations 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 FY2020 are summarised below:

- a. reviewed and adopted the updated Terms of Reference of AC pursuant to the Code;
- b. 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;
- c. reviewed the Company's sustainability report for FY2019;
- d. 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;
- e. reviewed the breakdown of audit and non-audit services provided by the Auditors 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;
- f. recommended to the Board for re-appointment of Nexia as the External Auditors for the ensuing year;
- g. reviewed whether the internal audit function is independent, effective and adequately resourced;
- h. considered the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems for FY2019. Where any material weaknesses are identified, reviewed the steps taken to address them;
- i. approved the coordinating of China Everbright Limited's interim audit review for the financial period ended 30 June 2020;
- j. reviewed whistle blowing reports, if any; and
- h. 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.

Whistle-blowing

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 on 26 February 2021, where 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 Group CEO. All reports, including anonymous reports, reports that are lacking in detail and verbal reports, will be thoroughly investigated by the Group CEO and treated as confidential. 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.

Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the AC if it deems appropriate, independent advisors engaged at the Group's expense. Following the investigation and evaluation of a

CORPORATE GOVERNANCE

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.

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

Provision 10.4 – Internal Audit

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 KPMG Services Pte. Ltd. which reports directly to the AC. The AC is of the view that the internal audit function is independent, effective and adequately resourced.

The internal auditor is a member of the Institute of Internal Auditors Singapore (“IIA”), a professional internal auditing body affiliated to the Institute of Internal Auditors, Inc. The audit work carried out is guided by the firm’s global internal auditing standards and the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA.

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 FY2020, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company ensures that all the 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 is allowed to appoint up to two proxies to vote on his 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.

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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.

Save for the AGM for FY2019 which was held on 22 May 2020 ("**FY2019 AGM**") by way of electronic means, 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 and the RC 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

Notwithstanding the above, the FY2019 AGM was held by way of electronic means and the Shareholders were not allowed to attend the AGM in person due to the circuit breaker measures applicable as of the notice of the said AGM dated 7 May 2020 up to 1 June 2020 and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Alternative Arrangements Order**") (as amended from time to time).

Compliance with the Alternative Arrangements Order will be deemed to be compliant with the relevant provisions of written law or legal instrument in respect of which the alternative arrangements are made. The Alternative Arrangements Order is permissive, not mandatory.

For the conduct of the FY2019 AGM, the Company had put in place alternative arrangement in accordance with the Alternative Arrangements Order and adhered to the checklist updated by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation to guide listed and non-listed entities on the conduct of general meetings ("**Checklist**") arising from the latest updates from the Multi-Ministry Taskforce to ease safe management measures to facilitate business operations. The Checklist incorporates the Alternative Arrangements prescribed in the Order as well as other alternative practices that issuers should adopt.

All the Directors attended the FY2019 AGM, together with the External Auditors and key management personnel via the live webcast. The Directors' attendance at the general meetings of the Company held in 2020 is disclosed under provision 1.5 above.

As required under the Alternative Arrangements Order and the Checklist, the Company had published its minutes of FY2019 AGM, which record substantial and relevant comments and queries from the Shareholders relating to the agenda of such meeting, within one month after the general meeting on SGXNET and its corporate website. The Company had addressed the questions raised by Securities Investors Association (Singapore) in an announcement released to the SGX-ST via the SGXNET on 21 May 2020. The Company also addressed the substantial and relevant questions submitted by the Shareholders no later than 9.30 a.m. on 19 May 2020 during the FY2019 AGM. Independent scrutineers have also checked the validity of the proxy forms received and prepared a report on the poll results.

The Alternative Arrangements Order has been extended to allow entities to hold general meetings via electronic means up to 30 June 2021, even where entities are permitted under safe distancing regulations to hold physical meetings. General meetings can still be held in accordance with existing law or legal instrument, if doing so would not breach prevailing safe management measures contained in the Act and the Regulations (and any subsequent advisories or

CORPORATE GOVERNANCE

regulations as may be issued). To help keep physical interactions and COVID-19 transmission risks to a minimum, which remain important in the long term, even as safe distancing regulations are gradually and cautiously relaxed, the Company will be conducting its forthcoming FY2020 AGM to be held on 29 April 2021 via electronic means in accordance with the Alternative Arrangements Order.

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 26 February 2021 informed that it has not recommended any dividend. No dividend was declared for FY2020 as the Board has taken a conservative view which includes the global macroeconomic uncertainties, cash flow and working capital requirements, to mitigate financial risks by retaining a lower gearing ratio. The Group will continue to monitor its cash flow situation and will consider rewarding the Shareholders when the conditions are met.

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 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.

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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.

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 FY2020, 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 three months 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.

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Based on Rule 907 of the Listing Manual, the IPTs for FY2020 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 (Beijing) Asset Management Co., Ltd.			
Management fees and related costs charged by joint venture of controlling shareholder	Controlling shareholder	3,867	–
Sub-total		3,867	–
Everbright Hero Holdings Limited⁽¹⁾			
Distribution on perpetual convertible securities	Controlling shareholder	248,716	–
Total		252,583	–

Note:

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

Based on the IPTs made known to the Company, the total value of the transactions entered into with the interested persons of the Company for FY2020 was RMB3.9 million, which represents 0.1% of the Group's latest audited net tangible assets for FY2019, excluding the distribution on perpetual convertible securities entered into with CEL which was approved by the Shareholders at the EGM held on 2 September 2014.

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 FY2020, or was entered into since the end of the previous financial year, being the FY2019.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

1. HIGHLIGHTS

1.1 Board statement on sustainability

We wish to confirm that the Board has considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (“ESG”) factors and overseen the management and monitoring of the material ESG factors.

1.2 Scope of sustainability report

The scope of the report covers information on material sustainability aspects of Ying Li from 1 January 2020 to 31 December 2020 unless otherwise specified. We believe that the report should sufficiently address stakeholders’ concerns in relation to sustainability issues arising from the Group’s major business operations.

This report is prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the SGX-ST Listing Manual. In preparing our report, we applied the 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 data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

1.3 Restatements

No restatements were made from the previous report.

1.4 Sustainability contact

We welcome your views and feedback on our sustainability practices and reporting at ir@yinglij.com.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

2. OUR APPROACH TO SUSTAINABILITY

2.1 Sustainability organisational structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward:



2.2 Sustainability strategy

Our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to do business responsibly, we commit to deliver value to all our stakeholders through the following:



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

- Safety Management (安全技术管理), 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 (分包单位管理), which covers aspects on subcontractors listing, subcontractors jobs and responsibilities, quality of goods and services delivered, and subcontractor evaluations.
- Human Resources Management (人事管理), which covers aspects on employee handbook, department-specific performance evaluations, rewards and penalties.

The strategy is also guided by external sources, including the GRI Standards and Sustainability Reporting Guide in Practice Note 7.6 of the SGX-ST Listing Rules.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and Ying Li.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

Stakeholders	How we listen	Why we do it	What you've told us
Builders and suppliers	<ul style="list-style-type: none"> Daily project meetings Periodic evaluations on suppliers' performance 	<ul style="list-style-type: none"> Ensure construction projects are completed on time at a reasonable quality and cost 	<ul style="list-style-type: none"> Ability to meet Company's quality standards Ability to meet Company's delivery timelines
Customers	<ul style="list-style-type: none"> Road shows Feedbacks Company's website 	<ul style="list-style-type: none"> Safeguard investment value of customer Ensure customer satisfaction is upheld Ensure service standard 	<ul style="list-style-type: none"> Optimizing customer service Increase in investment value of properties Emergency preparedness
Employees	<ul style="list-style-type: none"> Internal updates and communication Events and functions 	<ul style="list-style-type: none"> Improve employee's capabilities through internal and external training Improve employee's well-being through managing health and safety 	<ul style="list-style-type: none"> Health and safety Career progression Benefits and rewards External courses
Regulatory authorities (Governments, SGX, MOM, IRAS)	<ul style="list-style-type: none"> Regular updates and communication Reports and compliance Periodical meetings with government bodies 	<ul style="list-style-type: none"> Adhere to environmental regulations for building construction Good relationship between continuing sponsor and Company Dialogue with SGX Active participation in SGX events to increase visibility and transparency 	<ul style="list-style-type: none"> Compliance with relevant laws and regulations
Shareholder and investors	<ul style="list-style-type: none"> SGX Announcements Shareholder's meeting Annual reports Company's website Regular updates and communication 	<ul style="list-style-type: none"> Committed to delivering economic value to our capital providers through a strong financial performance and our methods of engagement with them. 	<ul style="list-style-type: none"> Long-term profitability Sustainability matters Group's performance against targets Compliance with all relevant requirements

SUSTAINABILITY REPORT

For the year ended 31 December 2020

2.4 Sustainability materiality

Based on the stakeholder engagement, we developed our sustainability materiality matrix containing material aspects which are aligned with our principal business and operational risks, and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.

The aspect boundaries 'within' the organisation are limited to Ying Li and our subsidiaries, whereas the aspect boundaries 'outside' the organisation include builders and suppliers, customers, employees, regulatory authorities (Governments, SGX, MOM, IRAS), shareholder and investors.



SUSTAINABILITY REPORT

For the year ended 31 December 2020

3. OUR PERFORMANCE

3.1 How we measure our performance

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of 'commitments'.

Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our **sustainability strategy**. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

Symbol	Meaning
Ⓝ	New commitment this year
○	Not started
◐	In progress
●	Complete
⌚	Ongoing commitment: no end date

SUSTAINABILITY REPORT

For the year ended 31 December 2020

3.2 Green development

Overview

Since establishment, Ying Li has a strong reputation for innovative design and urban renewal, having transformed areas of an old city into high-value urban integrated commercial developments of office space and shopping malls. In the process, it has successfully modernised the landscape of Chongqing's main business districts, with several landmark commercial buildings.

We recognise that "green development" has become a common pursuit of our people, and we too, have started to integrate this aspect into our projects from commencement to completion. Our vertically integrated business model and operations allows us to embed green practices into key aspects of property development, from design, construction and marketing to managing the developments after completion.

Long-term sustainable growth

We adhere to the mindset and practice of "green and eco-friendly development" throughout the lifecycle of a project and advocate "green office" among the employees to economise on the resources, abate pollution and reduce CO₂ emission to the greatest extent, so as to contribute to bluer skies and cleaner waters.

Over the years, we are involved in a number of landmark commercial buildings in Chongqing, including such as New York New York, Zou Rong Plaza, Future International and Ying Li International Financial Centre, which are occupied by prestigious companies.

We are well-recognised for our outstanding design, premium quality, eco-friendly features and rich user-experience in commercial property developments, and is well-positioned to capitalise on the strong market growth in Chongqing as well as other fast-growing regions of China.

With CEL on board as our Parent Company, Ying Li is poised to achieve long-term sustainable growth.

As at 31 December 2020, the Group has a total gross floor area ("**GFA**") of approximately 899,000 square metres ("**sqm**") of properties, comprising investment properties, properties for sale and properties for development in Chongqing, PRC. Please refer to the list our Investment Properties Portfolio in our FY2020 Annual Report (Pages 16 and 17).

We will continue to track and monitor the GFA for all properties of the Group and report the progress every year.

As at 31 December 2020

8

Investment properties
(since 1997)

337k

GFA for investment
properties (in sqm)

305k

GFA for properties for sale
(in sqm)

257k

GFA for properties for
development (in sqm)

0

Regulatory incidents

22%

LEED-certified investment
properties

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Green construction

We have extended the connotation of green properties, and followed the idea of environmental protection throughout the whole process of construction. Together with our partners, we have made in-depth research over a rational construction site layout, and continuously enhanced on-site management to create a clean, tidy, comfortable and safe environment during construction or asset enhancement in property management.

We have made explicit provisions over noise, exhaust gas, sewage and solid wastes generated in everyday life and production. We have also taken protective measures over soil and natural resources and minimised the influences of dusts and construction wastes on the communities and residents in strict compliance with national and municipal regulations.

Noise management



- Setting reasonable construction timetable according to the noise limits at different stages.
- Vigorously promoting new noise-reduction and vibration-damping technologies to abate noise during pile foundation engineering, etc.
- Taking proper measures to reduce the noises generated by mixers and other noisy machineries.

Dust and airborne contaminants management



- Sprinkling water to lay the dust during dust-prone operations, loading/unloading and transportation.
- Properly storing and covering any granular materials that are easy to ascend into the air; and cutting materials in the shed with proper dust-control measures.
- Do not burn any substances that may produce harmful or poisonous gas, smoke or dust at the construction sites.

Sewage management



- Finishing the installation of drainage and sewage treatment facilities before the commencement of construction, to ensure up-to-standard water discharge, no accumulated water on site, and no overflow or blockage during drainage.
- Recycling processed construction sewage.

Construction waste management



- Taking proper measure to minimise solid wastes, such as centralised mortar mixing and reduced use of bagged cements.
- Disposing construction and domestic wastes in strict compliance with the government requirements.

In FY2020, the Group was not in violation of any of the relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group. As part of our strategy, we seek to continue to be fully compliant with relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Energy saving design

Project conceptualisation is carried out in the initial phase for property development. This may be carried out in-house by the Group, or outsourced to professional consultants, such as architects, interior designers, surveyors or engineers (mechanical, electrical, civil and structure). In our recent projects, we have incorporated energy saving designs into our building plans. We will also regularly invest in enhancing the environmental performance of our portfolio.

To improve electrical efficiency, various energy saving practices have been implemented in the commercial properties managed by the Group. Appropriate insulation and ventilation have been adopted to minimise artificial heating and cooling requirements. We also adopted energy efficient technologies such as smart lighting, energy efficient bulbs, exhaust heat recycling systems and recycled water systems for air conditioning.

In addition, we had Leadership in Energy and Environmental Design (**LEED**) certification incorporated into our sites where possible, with 22% of the investment properties being LEED-certified. LEED is the most widely used green building rating system in the world and LEED certified buildings save energy, water, resources, generate less waste and support human health. These green building certification programs will provide us with external assurance on the measures we have incorporated to improve the environmental performance of our buildings. We will continue to review our strategy in pursuing green building certifications to keep our competitive edge, and contribute to raising industry standards for green building design and construction over the long term.

Going forward, we seek to align ourselves with international standards and best practices in green building design and construction by committing to obtain LEED-certification for all our new properties.

Responsible supply chain

We have constantly improved the procurement management and bidding system, maintained good partnership with our suppliers and subcontractors, and further deepened strategic cooperation with outstanding partners for the sake of shared development under a rigorous supplier evaluation system, thus boosting the overall capacity of the supply chain.

We have consistently followed the ideology of honest procurement and safeguarded the fundamental rights and interests of suppliers in a fair, just and open manner.

We believe that a secure and stable local supply chain that meets our sustainability needs is very important to ensure the smooth and uninterrupted operation of our operating activities.

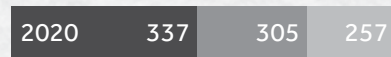
SUSTAINABILITY REPORT

For the year ended 31 December 2020

Commitments: Green development

Track and report the GFA for all properties of the Group

GFA for all properties of the Group ('000 sqm)



■ Investment ■ Sale ■ Development

FY2020 progress

- There is a slight decrease in properties for sale and properties for development due to sales of these properties during the year.

Full compliance with relevant construction laws and regulations in the countries that we operate in

Achievements

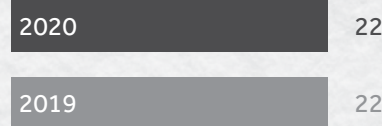
- Fully compliant with relevant construction laws and regulations in the countries that we operate in

FY2020 progress

- The Group was not in violation of any of the relevant construction laws and regulations in the countries that we operate in, that have a significant impact on the Group.

Track and report the LEED-certification for all investment properties of the Group

LEED-certified investment properties (%)



FY2020 progress

- 22% of our investment properties are LEED-certified currently.
- We seek to align ourselves with international standards and best practices in green building design and construction by committing to obtain LEED-certification for all our new properties.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

3.3 Operational safety

Overview

Safety is of paramount importance to us, and we have always stressed the importance of production safety in all our operations, especially when we deal with our building contractors.

Managing building contractors

Construction site safety is a top priority for the Group. Our major construction projects are located in Chongqing, PRC. We institutionalised our construction safety management with the following objectives:

- To ensure contractor compliance with the relevant safety regulations;
- To establish an effective communication platform that helps enhance the overall awareness of our staff and contractors of how to deal with safety concerns;
- To build up the knowledge and capacity of site workers on how to carry out their work in a safe fashion; and
- To minimise site injuries and to achieve zero fatalities.

The Group has developed a comprehensive set of guidelines and operating procedures to enhance overall safety performance at our project sites. In particular, our Safety Management Policy and Equipment Management Policy clearly articulate our specific safety requirements and emergency protocols for different work tasks.

While the Project Department acts as a coordinator for all matters related to construction safety, the Group has delegated specific responsibilities to different parties, to facilitate the incorporation of safety considerations and manage the potential safety hazards from multiple perspectives at different stages of a construction project. We have also hired dedicated consultants that specialise in construction site health and safety for our key projects in Chongqing, PRC. We regard this action as an extra line of defence.

In FY2020, we continued our track record of zero fatalities and accidents, and have committed to maintain this trend in future years. We commit to ensure the safety of our employees, those who work with us and anyone affected by our works as our number one priority.

As at 31 December 2020

0

Fatalities

0

Serious accidents

0

Accidents per 100,000
man-hours

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Emergency preparedness

While we emphasise on preventing safety incidents, we also prepare the employees to handle and respond to emergencies, including potential accidents and fire. This is very important to reduce and limit the impact and casualty as a result of the any safety incidents that may happen in our line of work. Emergency response procedures is an important part of our Safety Management Policy.

In addition, we have in place a series of emergency response procedures for our property management division for the following:

- Fire
- Flood
- Torrential rain
- Typhoon preparation
- Power outage
- Elevator failure
- Gas leakage
- Burglary
- Fights or violence
- Demonstrations or riots
- Bomb disposal

COVID-19 Pandemic

The outbreak of the COVID-19 pandemic in FY2020 has had a significant impact on lifestyles, businesses and communities globally. All property assets of the Group are situated in the PRC, with the majority located in the prime locations of Chongqing, mainly comprising commercial developments. As such, we have also been impacted by the outbreak of the COVID-19 pandemic, which had significantly affected market sentiment in the real estate industry during the first quarter of FY2020.

Fortunately, the PRC authorities have responded swiftly with containment and precautionary measures in the PRC, largely limiting the impact of COVID-19 to the first half of 2020.

In demonstrating our solidarity to join the authorities' efforts to control the pace of the spread of COVID-19, the Group has complied with the directives from the Chinese government and local authorities in Chongqing. In addition, the Group has instituted precautionary measures to protect the health and safety of its employees. We have also initiated business continuity planning to protect our staff and mitigate the impact on the Group's business operations. We will monitor the local situation and will put in place the above practices and any additional controls as required by the local governments (e.g. quarantine measures, stop work orders) where applicable.

Although life in the PRC has largely returned to normal post COVID-19, the global situation remains fluid. We shall keep a close eye on our operations, and announce any material changes to our business performance to shareholders timely, as and when appropriate.

Commitments: Operational safety

Achieve zero fatalities and accidents

Achievements

- Achieved zero fatalities and accidents.

FY2020 progress



- The Group continued our track record of zero fatalities and accidents.
- We commit to ensure the safety of our employees, those who work with us and anyone affected by our works as our number one priority.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

3.4 Environmental sustainability

Overview

We are committed to constructing and managing world-class sustainable buildings that add tangible value to the communities we serve and to operate and maintain those buildings with a strong emphasis on the triple bottom line of economy, environment and society.

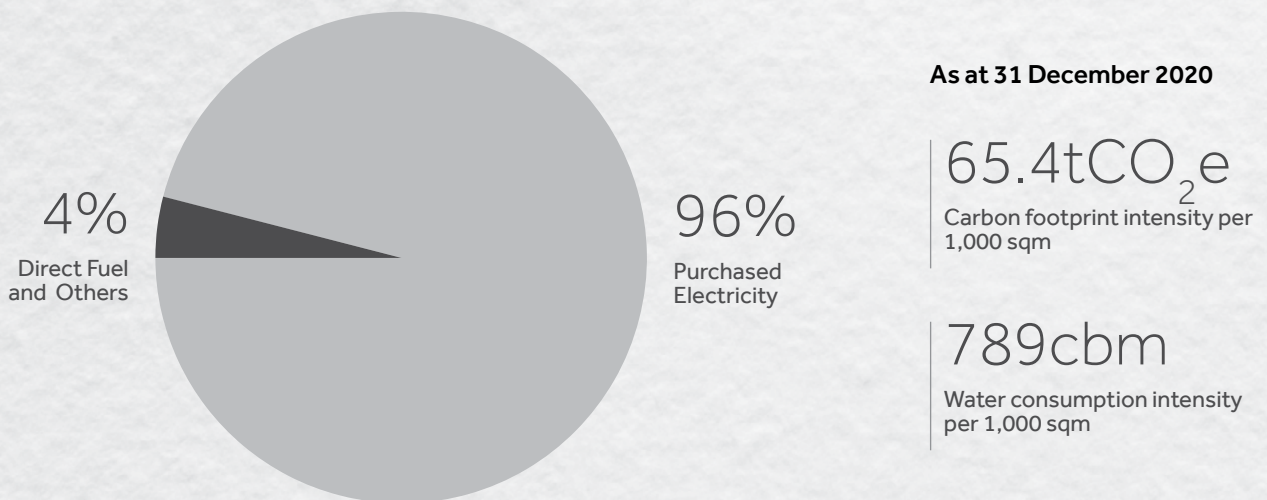
Managing our carbon footprint

We are committed to positive action on climate change and dedicated to reducing the carbon emission in our daily operations. To determine the carbon footprint, we collect energy usage data from each our businesses and then calculate our total annual greenhouse gas emissions.

We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate greenhouse gas emissions. Using the "control method", we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our properties (Scope 2 emissions)

In FY2020, Ying Li generated a carbon footprint of 22,028 tonnes of carbon dioxide emission (**tCO₂e**), with a carbon footprint intensity of 65.4 tCO₂e per thousand sqm of GFA. The emission mainly arises from purchased electricity used in our properties which accounted for close to 96% of the total carbon emission of Ying Li. The rest of the emissions are due to direct fuels used for winter heating (using natural gas) and vehicular transport (using petrol).



SUSTAINABILITY REPORT

For the year ended 31 December 2020

Carbon footprint intensity decreased 13% from the previous year mainly due to the impact of COVID-19. Three of our retail shopping malls in Chongqing was subjected to temporary closure from 6 February 2020 and only reopened gradually in March 2020. This has resulted in a substantial decrease in electricity and energy usage.

Nevertheless, the Group will still continue with our efforts to optimize eco-efficiency in our building operations. For example, we have replaced old, less efficient lighting fixtures with modern, more energy efficient ones.

We will monitor our performance on carbon footprint reduction and report our progress every year.

Energy efficiency

Buildings are energy-intensive structures and electricity often constitutes a significant proportion of operating expenses. By investing in energy efficiency, we not only help protect the environment but can also lower our financial costs.

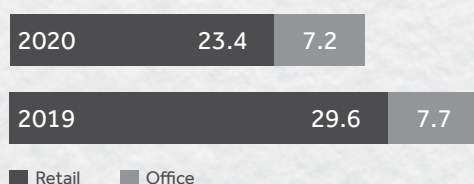
We will continue to use energy conservation and emission reduction measures to optimize eco-efficiency in our building operations. Some examples of how this has been achieved with tenants are as follows:

- Tenants are provided data analysis of their water and electricity usage to help tenants control their usage within the reasonable range. The payment of utilities is borne by the tenant but the tenants will make the payment out to the property management which will then send the payment to the utility company.
- The Company has been advocating water conservation, electricity saving, energy conservation as well as environmental protection. This includes use of guidance signs in common areas, including toilets to remind shoppers and tenants of the overarching green movement.

Furthermore, we have developed a series of initiatives to ensure buildings are well-equipped to minimise resource use. This includes:

- Communicate with new tenants on energy-saving measures before the opening of their stores/office aimed to improve the overall energy-saving target of the whole development (mall and offices).
- Ongoing activities related to sustainable development certification and training or consultation on sustainable development. This includes LEED-certification of sites where possible.
- Appropriate insulation and ventilation to minimise artificial heating and cooling requirements.
- Adopting energy-efficient technologies such as smart lighting, energy-efficient lightbulbs, exhaust heat recycling systems and recycled water systems for air conditioning.

Energy Consumption (GWh)



SUSTAINABILITY REPORT

For the year ended 31 December 2020

Water conservation

Water scarcity is a growing concern around the world and a serious global challenge that we must work together to address.

In FY2020, Ying Li recorded a water consumption intensity of 789 cubic metres (**cbm**) per thousand sqm. The total water consumption decreased 29% from the previous year due to the impact of COVID-19. Three of our retail shopping malls in Chongqing was subjected to temporary closure from 6 February 2020 and only reopened gradually in March 2020. This has resulted in a substantial decrease in water usage.

We will continue our efforts to reduce water consumption at our properties, including installing water-efficient fittings and raising awareness of water scarcity issues among our employees, tenants, customers, and communities.

We will monitor our performance on water consumption reduction and report the progress every year.

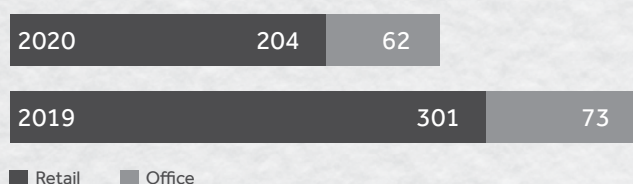
Waste management

As a real estate developer and manager, the bulk of our waste is generated by our builders and tenants. All of Ying Li's generated waste at both the construction sites and managed buildings are disposed of in accordance with local waste regulations. Recyclable waste from our managed buildings and construction sites are collected by engaged vendors to be treated and recycled accordingly.

In FY2020, Ying Li recorded a waste generation intensity of 13 tonnes per thousand sqm. This was a slight decrease from the previous year.

We plan to continue organizing tenant engagement events in the following year to encourage our tenants and their staff to participate in activities that promote green initiatives.

Water Consumption ('000 cbm)



SUSTAINABILITY REPORT

For the year ended 31 December 2020

Commitments: Environmental sustainability

Track and report carbon footprint intensity	Carbon footprint intensity (tCO ₂ e/ 1,000 sqm)	FY2020 progress
2020	65.4	<ul style="list-style-type: none"> We recorded a carbon footprint intensity of 65.4 tCO₂e/ 1,000 sqm. The emission mainly arises from electricity consumption which accounted for close to 96% of the total carbon emission of Ying Li. The carbon footprint intensity decreased 13% from the previous year mainly due to the impact of COVID-19. Three of our retail shopping malls in Chongqing was subjected to temporary closure from 6 February 2020 and only reopened gradually in March 2020. This has resulted in a substantial decrease in electricity and energy usage. We will continue to use energy conservation and emission reduction measures to optimise eco-efficiency in our building operations.
2019	75.2	
Track and report water consumption intensity	Water consumption intensity (cbm/ 1,000 sqm)	FY2020 progress
2020	789	<ul style="list-style-type: none"> We recorded a water consumption intensity of 789 cbm/ 1,000 sqm. The water consumption intensity decreased 29% from the previous year due to the impact of COVID-19. Three of our retail shopping malls in Chongqing was subjected to temporary closure from 6 February 2020 and only reopened gradually in March 2020. This has resulted in a substantial decrease in water usage. We continue our efforts to reduce water consumption at our properties, including installing water-efficient fittings and raising awareness of water scarcity issues among our employees, tenants, customers, and communities.
2019	1,094	
Track and report waste generation intensity	Waste generation intensity (t/ 1,000 sqm)	FY2020 progress
2020	13	<ul style="list-style-type: none"> We recorded a waste generation intensity of 13 tonnes / 1,000 sqm. This was a slight decrease from the previous year. We plan to continue organizing tenant engagement events in the following year to encourage our tenants and their staff to participate in activities that promote green initiatives.
2019	15	

SUSTAINABILITY REPORT

For the year ended 31 December 2020

3.5 Employee motivation

Overview

We have a comprehensive performance appraisal programme and rewards system based on the result of the appraisal. The performance appraisal programme is essential for us to understand the skills level of the employees and appropriate training programmes can be designed to fill up the skill gaps.

We emphasise on the career path and progression of our employees, and have built several two-way communication channels to ensure the career development needs of our employees are taken into consideration whenever it is possible. Training opportunities are equal to all employees based on needs identified.

Though these efforts, we are well-positioned to provide a constructive working experience to our employees and contribute to the economic development and skilled labour resources of the local community.

Skills competency and employee training

To ensure that our employee excel, we emphasise on continuous learning in the workplace. Every employee has equal opportunities to upgrade and sharpen their skill sets through formal and on-the-job internal training programs.

In FY2020, Ying Li invested an average of 10.0 hours of training on each employee, representing a 25% increase from the previous year. This shows the Company's commitment to ensure employee's skill competency.

As part of our strategy, Ying Li has committed to achieve a minimum of 8 hours of training per employee on an ongoing basis.

Performance appraisal

To ensure the Company achieves its goals, we have various performance appraisal methods in place to determine the performance of the Company as well as each individual employee.

The employee performance appraisal comprises mainly quantifiable evaluation criteria. In addition, we actively collect performance information for each employee through inputs from direct supervisors and feedbacks, as well as periodical employee communication sessions.

The collected information allow us to understand the performance and skills development needs of each team and individual employee from multiple aspects. This is crucial for the Company to develop annual training programs for employee that are designed to enhance the skills of the employee and aims to improve the overall productivity.

In FY2020, all of our employees are subjected to an annual performance appraisal by their superiors. We seek to continue this practice in the coming year.

As at 31 December 2020

10.0

Training hours per staff

100%

Employees subject to regular performance appraisal

54%

Female representation in workforce

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Equal opportunity

Ying Li has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age or family status.

We attract talent through fair, and flexible recruitment strategy that includes recruitment application, job description, job applications, interview, selection, approval, and job offer. Promotion is based on performance and suitability.

We offer competitive remuneration to attract and retain talented staff members. Remuneration packages (which include the necessary social benefits) are reviewed periodically to ensure consistency with employment market. Dismissal also complies with employment laws and regulations relating to non-discrimination.

In FY2020, female employees comprise 54% of our entire workforce. We will continue to track and monitor female representation in our workforce and report these statistics every year.

Encouraging work-life balance

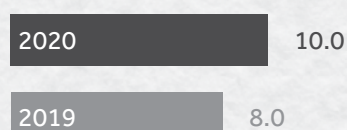
We organised a variety of employee activities to help them relax their mind and body, develop teamwork, explore their talent, so as to develop a positive attitude in both work and life.

To enhance employee teamwork and cohesion, improve employee health and improve employee work-life balance, Ying Li has been organising periodic employee gatherings during major festivals and sports competitions.

Commitments: Employee motivation

Achieve minimum of 8 hours of training per employee

Training hours per employee (Hours)



FY2020 progress

- Ying Li invested an average of 10.0 hours of training on each employee, representing a substantial increase from the previous year. This shows the Company's commitment to ensure employee's skill competency.

All employees are at least subject to an annual performance appraisal by their superiors

Achievements

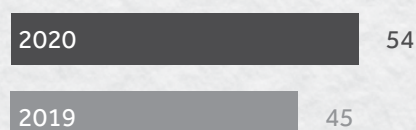
- All employees are at least subject to an annual performance appraisal by their superiors.

FY2020 progress

- All employees are at least subject to an annual performance appraisal by their superiors.

Track and monitor female representation in workforce

Female representation in workforce (%)



FY2020 progress

- Female employees comprise 54% of our entire workforce.
- Ying Li has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. We will continue this practice in future years.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

APPENDIX A: SUSTAINABILITY SCORECARD

Results

Performance indicators	Units	FY2019	FY2020
Revenue	RMB million	359	231

Green development

Performance indicators	Units	FY2019	FY2020
Investment properties (since 1997)	Number	8	8
GFA for investment properties	'000 sqm	342	337
GFA for properties for sale	'000 sqm	318	305
GFA for properties for development	'000 sqm	257	257
Total GFA for all properties	'000 sqm	917	899
Regulatory incidents	Number	0	0
LEED-certified properties in our portfolio	%	22	22

Operational safety

Performance indicators	Units	FY2019	FY2020
Fatalities	Number	0	0
Serious accidents	Number	0	0
Accidents per 100,000 man-hours	Number	0	0

Environmental sustainability

Performance indicators	Units	FY2019	FY2020
Carbon footprint intensity	tCO ₂ e/ 1,000 sqm	75.2	65.4
Water consumption intensity	cbm/ 1,000 sqm	1,094	789
Waste generation intensity	t/ 1,000 sqm	15	13

Employee motivation

Performance indicators	Units	FY2019	FY2020
Training hours per staff	Hours	8.0	10.0
Employees subject to regular performance appraisal	Percentage	100	100
Female representation in workforce	Percentage	45	54

SUSTAINABILITY REPORT

For the year ended 31 December 2020

APPENDIX B: GRI CONTENT INDEX

GRI Standards Content Index

The GRI Content Index references the Ying Li Sustainability Report 2020 ("SR"), and the Annual Report 2020 ("AR").

Disclosure number	Disclosure title	Page reference and remarks	
GRI 102: General disclosures			
Organisational profile	102-1	Name of organisation	• AR: Corporate Profile (Page 1)
	102-2	Activities, brands, products, and services	• AR: Corporate Profile (Page 1)
	102-3	Location of headquarters	• AR: Corporate Profile (Page 1)
	102-4	Location of operations	• AR: Corporate Profile (Page 1) • AR: Investment in Subsidiary Corporations – Note 18 to the Financial Statements (Pages 121-127)
	102-5	Ownership and legal form	• AR: General Information – Note 1 to the Financial Statements (Page 92)
	102-6	Markets served	• AR: Segment Information – Note 29 to the Financial Statements (Pages 149-151)
	102-7	Scale of organisation	• AR: Corporate Profile (Page 1) • AR: Segment Information – Note 29 to the Financial Statements (Pages 149-151)
	102-8	Information on employees and other workers	• SR: Employee Motivation (Pages 68-69)
	102-9	Supply chain	• SR: Green Development (Pages 58-61)
	102-10	Significant changes to the organisation and its supply chain	• AR: Corporate Profile (Page 1) • AR: Operations Review (Pages 6-13) • AR: Other Projects at a Glance (Pages 14-15) • AR: Investment Properties Portfolio (Pages 16-17)
	102-11	Precautionary Principle or approach	• AR: Corporate Governance (Pages 26-52)
	102-12	External initiatives	• Not applicable
	102-13	Membership of associations	• Not applicable
Strategy	102-14	Statement from senior decision-maker	• AR: Board Statement on Sustainability (Page 53)
	102-15	Key impacts, risks, and opportunities	• AR: Independent Auditor's Report (Pages 79-84)
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	• SR: Sustainability Strategy (Page 54)
	102-17	Mechanisms for advice and concerns about ethics	• AR: Corporate Governance (Pages 26-52)

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Disclosure number	Disclosure title	Page reference and remarks
Governance		
102-18	Governance structure	• AR: Corporate Governance (Pages 26-52)
102-19	Delegating authority	• AR: Corporate Governance (Pages 26-52)
102-20	Executive-level responsibility for economic, environmental, and social topics	• SR: Sustainability Organisational Structure (Page 54)
102-21	Consulting stakeholders on economic, environmental, and social topics	• SR: Consulting Our Stakeholders (Page 55)
102-22	Composition of the highest governance body and its committees	• AR: Corporate Governance (Pages 26-52)
102-23	Chair of the highest governance body	• AR: Corporate Governance (Pages 26-52)
102-24	Nominating and selecting the highest governance body	• AR: Corporate Governance (Pages 26-52)
102-25	Conflicts of interest	• AR: Corporate Governance (Pages 26-52) • AR: Directors' Statement (Pages 76-78) • SR: Sustainability Strategy (Page 54)
102-26	Role of highest governance body in setting purpose, values, and strategy	• AR: Corporate Governance (Pages 26-52)
102-27	Collective knowledge of highest governance body	• AR: Corporate Governance (Pages 26-52)
102-28	Evaluating the highest governance body's performance	• AR: Corporate Governance (Pages 26-52)
102-29	Identifying and managing economic, environmental, and social impacts	• SR: Sustainability Materiality (Page 56)
102-30	Effectiveness of risk management processes	• AR: Corporate Governance (Pages 26-52)
102-31	Review of economic, environmental, and social topics	• SR: Sustainability Report (Pages 53-75)
102-32	Highest governance body's role in sustainability reporting	• SR: Sustainability Organisational Structure (Page 54)
102-33	Communicating critical concerns	• SR: Sustainability Materiality (Page 56)
102-34	Nature and total number of critical concerns	• SR: Sustainability Materiality (Page 56)
102-35	Remuneration policies	• AR: Corporate Governance (Pages 26-52)
102-36	Process for determining remuneration	• AR: Corporate Governance (Pages 26-52)
102-37	Stakeholders' involvement in remuneration	• AR: Corporate Governance (Pages 26-52)

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Disclosure number	Disclosure title	Page reference and remarks
	102-38 Annual total compensation ratio	• AR: Corporate Governance (Pages 26-52)
	102-39 Percentage increase in annual total compensation ratio	• AR: Corporate Governance (Pages 26-52)
Stakeholder engagement	102-40 List of stakeholder groups	• SR: Consulting Our Stakeholders (Page 55)
	102-41 Collective bargaining agreements	• Not applicable
	102-42 Identifying and selecting stakeholders	• SR: Consulting Our Stakeholders (Page 55)
	102-43 Approach to stakeholder engagement	• SR: Sustainability Strategy (Page 54)
	102-44 Key topics and concerns raised	• SR: Consulting Our Stakeholders (Page 55)
Reporting practice	102-45 Entities included in the consolidated financial statements	• AR: Investment in Subsidiary Corporations – Note 18 to the Financial Statements (Pages 121-127)
	102-46 Defining report content and topic Boundaries	• SR: Sustainability Materiality (Page 56)
	102-47 List of material topics	• SR: Sustainability Materiality (Page 56)
	102-48 Restatements of information	• SR: Restatements (Page 53)
	102-49 Changes in reporting	• Not applicable
	102-50 Reporting period	• SR: Scope of Sustainability Report (Page 53)
	102-51 Date of most recent report	• SR: Scope of Sustainability Report (Page 53)
	102-52 Reporting cycle	• Annual
	102-53 Contact point for questions regarding the report	• SR: Sustainability Contact (Page 53)
	102-54 Claims of reporting in accordance with the GRI Standards	• SR: Scope of Sustainability Report (Page 53)
	102-55 GRI content index	• SR: GRI Content Index (Pages 71-75)
	102-56 External assurance	• No external assurance
GRI 200: Economic disclosures (applicable sections only)		
Economic performance	201-1 Direct economic value generated and distributed	• AR: Financial Review (Pages 4-5)
Procurement practices	204-1 Proportion of spending on local suppliers	• SR: Green Development (Pages 58-61)
Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	• There is no incidences of corruption in relation to the Group's business.
Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• There is no incidences of anti-competitive behaviour in relation to the Group's businesses.

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Disclosure number	Disclosure title	Page reference and remarks
GRI 300: Environment disclosures (applicable sections only)		
Energy	302-1 Energy consumption within the organisation	<ul style="list-style-type: none"> SR: Environmental Sustainability (Pages 64-67)
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> SR: Environmental Sustainability (Pages 64-67)
Water	303-1 Water withdrawal by source	<ul style="list-style-type: none"> SR: Environmental Sustainability (Pages 64-67) SR: Sustainability Scorecard (Page 70)
Emissions	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> SR: Environmental Sustainability (Pages 64-67) SR: Sustainability Scorecard (Page 70)
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> SR: Environmental Sustainability (Pages 64-67) SR: Sustainability Scorecard (Page 70)
Effluents and waste	306-2 Waste by type and disposal method	<ul style="list-style-type: none"> SR: Green Development (Pages 58-61) SR: Environmental Sustainability (Pages 64-67) SR: Sustainability Scorecard (Page 70)
Laws and regulations	307-1 Non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> There is no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)		
Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> SR: Employee Motivation (Pages 68-69)
Occupational health and safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<ul style="list-style-type: none"> SR: Operational Safety (Pages 62-63) SR: Sustainability Scorecard (Page 70)
Training and education	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> SR: Employee Motivation (Pages 68-69) SR: Sustainability Scorecard (Page 70)
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> SR: Employee Motivation (Pages 68-69)
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> SR: Employee Motivation (Pages 68-69) SR: Sustainability Scorecard (Page 70)
Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> SR: Employee Motivation (Pages 68-69) SR: Sustainability Scorecard (Page 70)

SUSTAINABILITY REPORT

For the year ended 31 December 2020

Disclosure number	Disclosure title	Page reference and remarks
Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none">• There is no incidents of discrimination.
Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none">• Child labour is strictly prohibited.
Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none">• Forced and compulsory labour is strictly prohibited.
Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	<ul style="list-style-type: none">• There is no non-compliance with socioeconomic laws and regulations.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2020

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 subsidiary corporations (the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

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 85 to 153 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 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group and Company will be able to pay their debts as and when they fall due.

DIRECTORS

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

Zhang Mingao
Yang Haishan (Appointed on 5 June 2020)
Tang Chi Chun
Hu Bing
Chia Seng Hee, Jack
Tan Sek Khee
Chen Guodong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 1 January 2020	At 31 December 2020	At 1 January 2020	At 31 December 2020
Company				
<u>(No. of ordinary shares)</u>				
Chia Seng Hee, Jack	1,000	1,000	–	–
Intermediate Holding Corporation				
China Everbright Limited ("CEL")				
<u>(No. of ordinary shares)</u>				
Tang Chi Chun	719,000	719,000	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2021 were the same as those as at 31 December 2020.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2020

SHARE OPTIONS

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

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

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

AUDIT COMMITTEE

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

Chia Seng Hee, Jack (Chairman)	(Chairman and Lead Independent Director)
Tan Sek Khee	(Independent Director)
Tang Chi Chun	(Non-Executive and Non-Independent Director)

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

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50. 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 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 2020 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, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

for the financial year ended 31 December 2020

INDEPENDENT AUDITOR

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

On behalf of the directors

.....
Zhang Mingao
Director

.....
Yang Haishan
Director

1 April 2021

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 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 85 to 153.

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 Companies Act, Chapter 50 (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 2020 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirement that are relevant to our audit of the financial statements in Singapore and we have fulfilled our other ethical responsibilities in accordance with 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 consolidated financial statements of the current financial year. These matters were addressed in the context of our audit of the consolidated 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)

Area of focus

The Group has a portfolio of investment properties in the People's Republic of China with a carrying value of RMB4.1 billion and representing 57% of total assets as at 31 December 2020. Investment properties represent the most significant asset item on the consolidated statement of financial position.

The Group's accounting policy is to state investment properties at fair value which is based on independent external valuations. Significant judgements and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuations. A small change in the key assumptions applied by the valuers such as the discount rate, terminal yield rate, capitalisation rate and price per square metre can have a significant impact on the valuations.

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)

How our audit addressed the area of focus

We assessed the valuers' qualifications and their expertise and considered whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We considered the appropriateness of the valuation methods used, which included direct comparison method and income method, against those applied for similar property types in the market. We have assessed the reasonableness of the key assumptions used in the valuation method which included price per square metre and the discount rates, against historical rates and available market data, taking into consideration comparability and market factors. We performed sensitivity analysis against the key assumptions used. We also considered the adequacy of the disclosures in the financial statements.

Valuation of financial assets, at fair value through profit or loss

(Refer to Note 15 to the financial statements)

Area of focus

The Group has a material investment in an unquoted equity of a limited partnership with a carrying value of RMB770 million and representing 11% of total assets as at 31 December 2020. The underlying assets pertain to an integrated property project (the "Project") in Tongzhou District, Beijing.

The Group's accounting policy is to account for the valuation of the investment in unquoted equity of a limited partnership at fair value through profit or loss. The fair value of the investment in an unquoted equity of a limited partnership is determined based on valuations performed by an international independent firm of professional valuers who have the appropriate recognised professional qualification and recent 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 underlying assets held by the project companies which are carried at fair value at the end of the reporting period. The fair value is determined based on valuations performed by an international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial asset being valued.

Estimating the fair value is a complex process which involves a number of judgements and estimates regarding various inputs. Due to the nature of the underlying assets and multiple phases of development, the valuation of this investment is determined using the direct comparison method, income method and residual method that involve the use of unobservable inputs.

How our audit addressed the area of focus

We assessed the valuers' qualifications and their expertise, considering whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We considered the valuation methods used, which included direct comparison method, income method and residual method, against those applied for similar property types. We assessed the reasonableness of the key assumptions used in the valuations which included price per square metre, against historical rates and available market data, taking into consideration comparability and market factors. We have reviewed the mathematical correctness of the fundamental calculation steps, including the bases of distribution in accordance with the related Investment and Partnership Agreements. We also considered the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Valuation of development properties

(Refer to Note 14 to the financial statements)

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 financial statements. As at 31 December 2020, the carrying value of development properties is RMB 1.1 billion and representing about 15% of total assets.

The Group assesses at each reporting date the net realisable value of development properties by reference to sales prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold units of the development properties and accordingly, the carrying amount of development properties for sale may have to be written down in future periods. The Group also engages independent professional valuer to estimate the net realisable value for certain properties which have been identified as at risk of being written-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 estimation used are appropriate.

How our audit addressed the area of focus

We discussed with management to understand the basis used in determining whether any write-down would be required for the Group's development properties.

We challenged management assumptions relating to the reasonableness of the future sales expectations including expected selling prices. We compared the expected selling prices to externally published benchmarks and also considered whether these prices are consistent with the current property market trends.

Where valuers were used to determine expected selling prices, we also assessed the valuers' qualifications and their expertise and considered whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We considered the appropriateness of the valuation methods used, which included direct comparison method and income method against those applied for similar property types in the market. We assessed the reasonableness of the key assumptions used in the valuation models which included price per square metre and the discount rates, against historical rates and available market data, taking into consideration comparability and market factors. We performed sensitivity analysis against the key assumptions used. We also considered the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statement 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.

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.

INDEPENDENT AUDITOR'S REPORT

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

REPORT THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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.

INDEPENDENT AUDITOR'S REPORT

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

REPORT THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's responsibilities for the audit of the Financial Statements (continued)

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

Report on other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this Independent Auditor's report is Low See Lien.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
1 April 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Revenue	4	231,035	358,925
Cost of sales		(92,783)	(152,061)
Gross profit		138,252	206,864
Other income	7	18,320	27,307
Other losses – net	8	(60,689)	(527,331)
Expenses			
- Distribution and marketing		(34,584)	(70,192)
- Administrative		(95,730)	(140,864)
- Finance	9	(150,129)	(171,279)
Loss before income tax		(184,560)	(675,495)
Income tax (expense)/credit	10	(11,299)	149,571
Net loss for the year		(195,859)	(525,924)
Other comprehensive income/(loss)			
<i>Items that maybe reclassified subsequently to profit or loss:</i>			
Net currency translation differences arising from consolidation	25 (b)	60,140	(39,687)
Other comprehensive income/(loss), net of tax		60,140	(39,687)
Total comprehensive loss		(135,719)	(565,611)
Loss attributable to:			
Equity holders of the Company		(187,848)	(523,432)
Non-controlling interests	18	(8,011)	(2,492)
		(195,859)	(525,924)
Total comprehensive loss attributable to:			
Equity holders of the Company		(127,708)	(563,119)
Non-controlling interests	18	(8,011)	(2,492)
		(135,719)	(565,611)
Loss per share for loss attributable to equity holders of the Company			
Basic loss per share (RMB)	11	(0.073)	(0.205)
Diluted loss per share (RMB)	11	(0.073)	(0.205)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	Group	
		2020 RMB'000	2019 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	757,838	1,002,498
Trade and other receivables	13	459,580	490,365
Development properties	14	1,055,780	1,131,959
		2,273,198	2,624,822
Non-current assets			
Property, plant and equipment	17	35,745	38,534
Investment properties	16	4,128,528	4,162,080
Financial assets, at FVPL	15	769,799	869,799
Deferred income tax assets	22	27,529	27,529
		4,961,601	5,097,942
Total assets		7,234,799	7,722,764
LIABILITIES			
Current liabilities			
Borrowings	19	377,919	1,308,779
Trade and other payables	20	875,400	676,461
Provisions	21	378,099	428,277
Current income tax liabilities		180,085	221,044
		1,811,503	2,634,561
Non-current liabilities			
Borrowings	19	2,272,893	1,518,020
Deferred income tax liabilities	22	531,114	566,459
		2,804,007	2,084,479
Total liabilities		4,615,510	4,719,040
NET ASSETS		2,619,289	3,003,724
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	23	4,028,372	4,028,372
Perpetual convertible securities	24	878,970	878,970
Other reserves	25	(1,919,848)	(1,979,988)
(Accumulated losses)/retained earnings		(372,840)	63,724
Equity attributable to equity holders of the Company		2,614,654	2,991,078
Non-controlling interests	18	4,635	12,646
TOTAL EQUITY		2,619,289	3,003,724

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	Company	
		2020 RMB'000	2019 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	97,225	150,043
Trade and other receivables	13	2,721,052	2,814,492
		<u>2,818,277</u>	<u>2,964,535</u>
Non-current assets			
Property, plant and equipment	17	13	77
Investments in subsidiary corporations	18	2,966,325	2,966,325
		<u>2,966,338</u>	<u>2,966,402</u>
Total assets		<u>5,784,615</u>	<u>5,930,937</u>
LIABILITIES			
Current liabilities			
Borrowings	19	447,068	475,559
Trade and other payables	20	1,915,777	1,704,081
		<u>2,362,845</u>	<u>2,179,640</u>
Total liabilities		<u>2,362,845</u>	<u>2,179,640</u>
NET ASSETS		<u>3,421,770</u>	<u>3,751,297</u>
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	25,104	21,403
Accumulated losses		(1,510,676)	(1,177,448)
TOTAL EQUITY		<u>3,421,770</u>	<u>3,751,297</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2020

	Attributable to equity holders of the Company									
	Share capital	Reverse acquisition reserve	Convertible bonds reserve	Statutory common reserve	Perpetual convertible securities	Currency translation reserve	Retained earnings/ losses (Accumulated)	Total	Non-controlling interests	Total
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group										
Balance as at 1 January 2020	4,028,372	(2,034,754)	42,458	91,018	878,970	(78,710)	63,724	2,991,078	12,646	3,003,724
Total comprehensive loss for the year:										
Loss for the year	-	-	-	-	-	-	(187,848)	(187,848)	(8,011)	(195,859)
Currency translation differences	-	-	-	-	-	60,140	-	60,140	-	60,140
Distribution on perpetual convertible securities	-	-	-	-	-	-	(248,716)	(248,716)	-	(248,716)
Balance as at 31 December 2020	4,028,372	(2,034,754)	42,458	91,018	878,970	(18,570)	(372,840)	2,614,654	4,635	2,619,289

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2020

	Attributable to equity holders of the Company									
	Share capital	Reverse acquisition reserve	Convertible bonds reserve	Statutory common reserve	Perpetual convertible securities	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group										
Balance as at 1 January 2019	4,028,372	(1,993,712)	42,458	91,018	878,970	(39,023)	750,806	3,758,889	15,138	3,774,027
Total comprehensive loss for the year:										
Loss for the year	-	-	-	-	-	-	(523,432)	(523,432)	(2,492)	(525,924)
Currency translation differences	-	-	-	-	-	(39,687)	-	(39,687)	-	(39,687)
Distribution on perpetual convertible securities	-	-	-	-	-	-	(112,530)	(112,530)	-	(112,530)
Acquisition of non-controlling interests	-	(41,042)	-	-	-	-	(51,120)	(92,162)	-	(92,162)
Balance as at 31 December 2019	4,028,372	(2,034,754)	42,458	91,018	878,970	(78,710)	63,724	2,991,078	12,646	3,003,724

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

	Note	2020 RMB'000	2019 RMB'000
Operating activities			
Loss before income tax		(184,560)	(675,495)
Adjustments for:			
Fair value loss on investment properties	8	19,000	371,690
Fair value loss on financial assets, at FVPL	8	100,000	138,201
Unrealised exchange differences		3,072	(35,821)
Interest expenses	9	150,129	171,279
Depreciation	17	3,053	4,596
Amortisation of deferred lease incentives	5	6,379	7,474
Property, plant and equipment written off		–	460
Gain on disposal of property, plant and equipment		(140)	–
(Reversal)/provision for liabilities on legal cases	8	(36,332)	3,899
Reversal of over-accrued payables	8	(29,324)	–
Impairment loss on other receivables	8	–	24,223
Interest income	7	(10,636)	(15,176)
Operating cash flows before movements in working capital		20,641	(4,670)
Investment properties		8,173	–
Trade and other receivables		(13,134)	1,143,098
Development properties		76,179	81,176
Trade and other payables		(73,323)	(238,835)
Provisions		(13,846)	–
Cash generated from operations		4,690	980,769
Interest paid		(139,461)	(179,625)
Interest received		9,001	14,964
Income tax refund/(paid)		154	(435)
Net cash (used in)/generated from operating activities		(125,616)	815,673
Investing activities			
Purchase of property, plant and equipment	17	(627)	(934)
Proceeds from disposal of property, plant and equipment		500	–
Acquisition of non-controlling interests	18	–	(92,162)
Net cash used in investing activities		(127)	(93,096)
Financing activities			
Decrease/(increase) in restricted cash		10,108	(8,343)
Proceeds from borrowings		1,255,096	998,160
Repayment of borrowings		(1,387,573)	(1,465,561)
Net cash used in financing activities		(122,369)	(475,744)
Net (decrease)/increase in cash and cash equivalents		(248,112)	246,833
Effect of exchange rate changes on cash and cash equivalents		13,560	(3,188)
Cash and cash equivalents at beginning of year		622,702	379,057
Cash and cash equivalents at end of year	12	388,150	622,702
Restricted bank balances	12	369,688	379,796
Cash and cash equivalents in the consolidated statement of financial position	12	757,838	1,002,498

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

Reconciliation of liabilities arising from financing activities

				Non-cash changes	
	1 January 2020 RMB'000	Proceeds from borrowings RMB'000	Principal payments RMB'000	Foreign exchange movement RMB'000	31 December 2020 RMB'000
Borrowings	2,826,799	1,255,096	(1,387,573)	(43,510)	2,650,812
				Non-cash changes	
	1 January 2019 RMB'000	Proceeds from borrowings RMB'000	Principal payments RMB'000	Foreign exchange movement RMB'000	31 December 2019 RMB'000
Borrowings	3,293,519	998,160	(1,465,561)	681	2,826,799

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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 and Central Huijin Investment Ltd. respectively.

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

(a) *Properties for sale*

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

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. 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. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer 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.

(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 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations 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. Subsidiary corporations 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 subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation'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 corporation, 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 corporation 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 corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(iii) *Disposals*

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

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

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

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

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

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

(ii) *Components of costs*

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(b) Depreciation

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

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

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

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

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses) - net".

2.6 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiary corporations 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 subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Borrowing costs

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

2.8 Investment properties

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

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

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

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

2.9 Investments in subsidiary corporations

Investments in subsidiary corporations 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 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets (continued)

- (b) *Property, plant and equipment*
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations 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.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. 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
- Fair value through profit and loss ("FVPL")

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

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

At initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(a) *Classification and measurement (continued)*

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, financial assets, at FVPL and trade and other receivables.

These are two 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.

FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses) - net"

(ii) *Equity instruments*

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) - net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. 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. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(b) details how the Group determines whether there has been a significant increase in credit risk.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT 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 subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations 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; and
- b) the amount of expected loss computed using impairment methodology under SFRS(I) 9.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

- Lease liabilities

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

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- 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 it 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (continued)

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

- Lease liabilities (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in respect of which physical construction is commenced at the end of the reporting period. 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 held for sale*

Completed properties for sale are stated at lower of cost or 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.

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 statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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 subsidiary corporations, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income taxes (continued)

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, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

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 2020

2 SIGNIFICANT 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 financial statements are presented in Chinese Renminbi and have been rounded to the nearest thousand ("RMB'000") as 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.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other gains/(losses) - net".

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Currency translation (continued)

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

2.24 Share capital

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

2.25 Dividends to Company's shareholders

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(a) *Assessment of expected credit loss ("ECL") of trade and other receivables (continued)*

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

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

The gross amounts of trade receivables and loss allowance as at 31 December 2020 are RMB34,235,000 and RMB3,271,000 (2019: RMB31,651,000 and RMB3,271,000) 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 2020 are RMB649,050,000 and RMB350,183,000 (2019: RMB651,330,000 and RMB350,183,000) respectively.

(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 by reference to sales prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices on the remaining unsold units of the development properties and accordingly, the carrying amount of development properties for sale may have to be written down in future periods. The Group also engages the independent professional valuer to estimate the net realisable value for certain properties which have been identified as at risk of being written-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 2020 is RMB1,055,780,000 (2019: RMB1,131,959,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) *Valuation of investment properties*

As disclosed in Note 16 to the financial statements, investment properties are stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer used 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.

(d) *Valuation of financial assets, at FVPL*

As disclosed in Note 15 to the financial statements, the fair value of financial asset at FVPL is based on generally accepted valuation techniques. Valuation techniques are based on market inputs and include the use of discounted cash flow analysis and other valuation techniques commonly used by market participants. Because of the inherent valuation uncertainty, these estimated fair values may differ significantly from the values that would be used if a ready market for the financial assets 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 assets at FVPL is disclosed in Note 15 to the financial statements.

(e) *Provision on litigation cases and penalties*

As disclosed in Note 21 to the financial statements, the Group makes provisions on litigation cases and penalties. Provisions in respect of litigation cases are subject to many uncertainties and the outcome of individual matters cannot be predicted with assurance. Significant judgment is required in assessing probability and making estimates in respect of contingencies, and the Group's final liabilities may ultimately be materially different. The Group's total 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 2020, for some litigation cases, the proceedings are still on-going. The outcome of the proceedings remains uncertain.

(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 entities 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 values of deferred tax assets and deferred tax liabilities are set out in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(g) *Perpetual convertible securities*

Pursuant to the terms of the Perpetual Convertible Securities, the Company, as the issuer can at its option redeem the Perpetual Convertible Securities and at its discretion defer distributions on the Perpetual Convertible Securities. 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. As a result, the whole instrument is classified as equity, and respective distributions if and when declared are treated as dividends. The carrying amount of the Perpetual Convertible Securities is RMB878,970,000 (2019: RMB878,970,000).

(h) *Going concern*

During the financial year ended 31 December 2020, the Group recorded a net loss for the year of RMB195,859,000 (2019: RMB525,924,000). As at 31 December 2020, the Group is in net current assets position of RMB461,695,000 (2019: net current liabilities position of RMB9,739,000).

Additionally, the outbreak of COVID-19 pandemic has impacted the Group's financial performance as a result of lower revenue from sales of properties and rent relief provided to tenants.

As at date of these financial statements, the COVID-19 pandemic continues to evolve and develop. Many entities have undertaken a range of operational and financial adjustments in response to the effects of the pandemic. There is significant uncertainty as to the duration of the pandemic and its impact on those economies which the Group operates in, hence is expected to affect the Group's financial performance in the following financial years. If the situation persists over the next financial years, the Group may continuously experience a loss in the following financial years.

In the event that the Group is unable to generate funds internally from the Group's core business or obtain new capital from external, and as a result the Group may be unable to continue its operational existence for the foreseeable future due to lack of working capital.

Management is of the view that the Group will be able to improve the performance of the Group in the foreseeable future as a result of the following:

- The Group's significant operations are in PRC in which the market has recovered in the second half of 2020; and
- The Group's performance had improved in the current financial year compared against the previous financial year, i.e. net loss has decreased by RMB330,065,000 from RMB525,924,000 in financial year 2019 to RMB195,859,000 in financial year 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

4 REVENUE

	Group	
	2020 RMB'000	2019 RMB'000
Revenue from contracts with customers – PRC:		
Sales of completed properties held for sale – at a point in time	47,967	141,580
Sales of investment properties – at a point in time	16,029	–
	63,996	141,580
Property rental income - PRC	167,039	217,345
	231,035	358,925

(a) Contract liabilities

	Group	
	2020 RMB'000	2019 RMB'000
<i>Point in time:</i>		
Contract liabilities - sales of completed properties held for sale (Note 20)	41,436	26,110

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 when control of properties transfers to the customer.

Revenue recognised in relation to contract liabilities

	Group	
	2020 RMB'000	2019 RMB'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period:		
- Sales of completed properties held for sale – at a point in time	10,629	73,417

(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 amortised 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 2020

5 EXPENSES BY NATURE

	Group	
	2020 RMB'000	2019 RMB'000
Amortisation of deferred lease incentives	6,379	7,474
Cost of construction, completed properties held for sale and investment properties	92,783	152,061
Consultancy and service fees	22,395	27,478
Depreciation (Note 17)	3,053	4,596
Employee compensation (Note 6)	52,815	72,822
Marketing expenses	17,466	11,673

6 EMPLOYEE COMPENSATION

	Group	
	2020 RMB'000	2019 RMB'000
Wages and salaries	32,268	57,074
Employer's contribution to defined contribution plans	2,645	4,745
Other short-term benefits	17,902	11,003
	52,815	72,822

7 OTHER INCOME

	Group	
	2020 RMB'000	2019 RMB'000
Bank interest income	10,636	15,176
Sundry income	7,684	12,131
Total	18,320	27,307

8 OTHER LOSSES - NET

	Group	
	2020 RMB'000	2019 RMB'000
Fair value loss on investment properties (Note 16)	(19,000)	(371,690)
Fair value loss on financial assets, at FVPL (Note 15)	(100,000)	(138,201)
Impairment loss on other receivables (Note 27 (b))	–	(24,223)
Reversal/(provision) for liabilities on legal cases (Note 21)	36,332	(3,899)
Reversal of over-accrued payables	29,324	–
Foreign exchange (losses)/gains, net	(16,714)	17,689
Others	9,369	(7,007)
Total	(60,689)	(527,331)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

9 FINANCE EXPENSES

	Group	
	2020 RMB'000	2019 RMB'000
Interest expenses:		
- bank borrowings	145,863	152,882
- bank notes	4,266	18,397
	150,129	171,279

10 INCOME TAX EXPENSE / (CREDIT)

	Group	
	2020 RMB'000	2019 RMB'000
Tax expense/(credit) attributable to loss is made up of:		
Loss for the financial year:		
- Current income tax	496	2,676
- Deferred income tax (Note 22)	10,208	(155,755)
- Withholding tax	766	3,508
Over provision in prior financial year		
- Current income tax	(171)	-
	11,299	(149,571)

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

In 2020 and 2019, the taxation arising in the PRC is calculated at the prevailing rate of 25%.

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the PRC standard rate of income tax is as follow:

	Group	
	2020 RMB'000	2019 RMB'000
Loss before income tax	(184,560)	(675,495)
Tax calculated at tax rate of 25%* (2019: 25%*)	(46,140)	(168,874)
Effects of:		
- Different tax rates in other countries	5,213	10,874
- Forfeited deferred income tax	45,553	-
- Expenses not deductible for tax purposes	6,078	4,921
- Withholding tax	766	3,508
- Over provision in prior financial year	(171)	-
Tax charge/(credit)	11,299	(149,571)

* These are the applicable tax rates for most of the Group's taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

11 LOSS PER SHARE

(a) Basic loss per share

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

	Group	
	2020	2019
Net loss attributable to equity holders of the Company (RMB'000)	(187,848)	(523,432)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,557,040	2,557,040
Basic loss per share (RMB per share)	(0.073)	(0.205)

(b) Diluted loss per share

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

12 CASH AND CASH EQUIVALENTS

	Group	
	2020 RMB'000	2019 RMB'000
Cash at bank and on hand	627,838	725,456
Fixed deposits	130,000	277,042
Cash and cash equivalents per consolidated statement of financial position	757,838	1,002,498
Less: Restricted bank balances	(369,688)	(379,796)
Cash and cash equivalents per consolidated statement of cash flows	388,150	622,702

The average effective interest rate of fixed deposits at 1.60% (2019: ranged from 1.65% to 2.75%) per annum and the fixed deposits have a tenure of approximately 90 days (2019: 31 to 360 days).

Restricted bank balances of RMB55,318,000 (2019: RMB41,422,000) pledged to banks for interest reserve account on borrowings and sales of mortgaged properties to customers.

Restricted bank balances of RMB314,370,000 (2019: RMB338,374,000) pledged to banks to secure banking facilities granted to the Group entities (Note 19).

	Company	
	2020 RMB'000	2019 RMB'000
Cash at bank and on hand	97,225	31,401
Fixed deposits	–	118,642
Cash and bank balances	97,225	150,043

As at 31 December 2019, the average effective interest rate of fixed deposits ranged from 1.65% to 1.85% per annum and the fixed deposits have a tenure of approximately 31 to 60 days.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

13 TRADE AND OTHER RECEIVABLES

	Group	
	2020 RMB'000	2019 RMB'000
Trade receivables:		
- Non-related parties	34,235	31,651
Less: loss allowance	(3,271)	(3,271)
Trade receivables – net	30,964	28,380
Other receivables:		
- Non-related parties	56,464	57,922
Consideration receivables from disposal of subsidiaries and a land parcel	575,350	575,350
Refundable deposits	17,236	18,058
Less: loss allowance	(350,183)	(350,183)
Other receivables – net	298,867	301,147
Financial assets at amortised cost	329,831	329,527
Advances to sub-contractor and vendors	4,363	4,978
Prepayments	77,883	65,927
Prepaid tax	47,503	89,933
Total trade and other receivables	459,580	490,365

	Company	
	2020 RMB'000	2019 RMB'000
Other receivables:		
- non-related parties	35	399
- subsidiary corporations	3,022,597	3,114,986
Refundable deposits	236	874
Less: loss allowance	(302,056)	(302,056)
Financial assets at amortised cost	2,720,812	2,814,203
Prepayments	240	289
Total trade and other receivables	2,721,052	2,814,492

Amounts due from subsidiary corporations are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

14 DEVELOPMENT PROPERTIES

	Group	
	2020 RMB'000	2019 RMB'000
Completed properties held for sale	933,368	1,004,689
Properties for development	122,412	127,270
	1,055,780	1,131,959

Properties for development and completed properties held for sale are located in the PRC. Properties for development mainly comprise land costs and related taxes.

Certain bank borrowings are secured by completed properties held for sale of the Group with carrying amounts of RMB357,981,000 (2019: RMB366,149,000) (Note 19).

15 FINANCIAL ASSETS, AT FVPL

	Group	
	2020 RMB'000	2019 RMB'000
Unquoted investment in limited partnership at fair value through profit or loss		
Fair value:		
Beginning of financial year	869,799	1,008,000
Fair value loss (Note 8)	(100,000)	(138,201)
End of financial year	769,799	869,799

Unquoted investment in limited partnership relates to a subsidiary's investment of RMB559 million (at cost) to subscribe for 26% of the subordinated shares in Shanghai Zhaoli Investment Centre (LLP)(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 reporting period is based on valuation performed by KPMG Advisory (Hong Kong) Limited (the "KPMG"), an international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial asset being valued.

The valuation of the unquoted investment in limited partnership is primarily based on the fair value of the Project, which is measured using the direct comparison method, income method and residual method, depending on the stage of development of the individual project phases. The underlying assets held by the project companies are carried at fair value at the end of the reporting period is based on valuation performed by Cushman & Wakefield Beijing Branch, an international independent firm of professional valuers who have the appropriate recognised professional qualification and recent experience in the financial asset 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 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. The income method derives the value of the property by prediction of the future income generated from the property, and then use an appropriate rate of return or capitalisation rate to discount its future income into value of the property.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

16 INVESTMENT PROPERTIES

	Group	
	2020 RMB'000	2019 RMB'000
Leasehold properties:		
Beginning of financial year	4,151,210	4,522,900
Sales of investment properties	(9,990)	–
Fair value loss (Note 8)	(19,000)	(371,690)
End of financial year	4,122,220	4,151,210
Deferred lease incentives	6,308	10,870
Total investment properties	4,128,528	4,162,080

Certain bank borrowings are secured by investment properties of the Group with carrying amounts of RMB3,909,775,000 (2019: RMB3,912,935,000) (Note 19).

The following amounts are recognised in profit or loss:

	Group	
	2020 RMB'000	2019 RMB'000
Rental income	151,044	188,742
Direct operating expenses arising from:		
- Investment properties that generate rental income	(47,622)	(59,077)
- Investment properties that do not generate rental income	(2,352)	(2,982)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

16 INVESTMENT PROPERTIES (CONTINUED)

At the reporting date, the details of the Group's investment properties are as follows:

Title	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	Office, 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.

Fair value hierarchy - Recurring fair value measurement

Description	Fair value measurement using		
	Quoted prices in active markets for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
As at 31 December 2020			
- Retail, office and car parks - PRC	-	-	4,122,220
As at 31 December 2019			
- Retail, office and car parks - PRC	-	-	4,151,210

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used to derive Level 3 fair values

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

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 2020, the fair values of the properties have been determined by Colliers International (Hong Kong) Limited.

At each financial year end the 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.

There were no changes in valuation techniques during the financial year.

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 2020 and 2019.

Description	Fair value RMB'000	Valuation technique	Significant unobservable input ⁽¹⁾	Range
31 December 2020				
Investment properties	4,122,220	Direct comparison approach	price per square meter ⁽²⁾	RMB6,200 - RMB24,100
		income method	discount rate ⁽³⁾	6.0% - 6.7%
			occupancy rate ⁽²⁾	70% - 100%
			rental growth ⁽²⁾	3% - 8%
31 December 2019				
Investment properties	4,151,210	Direct comparison approach	price per square meter ⁽²⁾	RMB6,800 - RMB24,100
		income method	discount rate ⁽³⁾	7.0%
			occupancy rate ⁽²⁾	93% - 98%
			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 2020

17 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings RMB'000	Office equipment, computer, furniture and fittings RMB'000	Motor vehicles RMB'000	Total RMB'000
Group				
2020				
<i>Cost</i>				
Beginning of financial year	48,733	24,548	5,806	79,087
Additions	–	205	422	627
Write-off/disposal	–	(4,241)	(3,475)	(7,716)
Currency translation differences	–	(4)	–	(4)
End of financial year	48,733	20,508	2,753	71,994
<i>Accumulated depreciation</i>				
Beginning of financial year	13,227	22,106	5,220	40,553
Depreciation (Note 5)	2,341	643	69	3,053
Write-off/disposal	–	(4,222)	(3,134)	(7,356)
Currency translation differences	–	(1)	–	(1)
End of financial year	15,568	18,526	2,155	36,249
Net book value				
Beginning of financial year	35,506	2,442	586	38,534
End of financial year	33,165	1,982	598	35,745

	Leasehold buildings RMB'000	Office equipment, computer, furniture and fittings RMB'000	Motor vehicles RMB'000	Total RMB'000
Group				
2019				
<i>Cost</i>				
Beginning of financial year	48,733	23,640	8,097	80,470
Additions	–	934	–	934
Write-off	–	(98)	(2,291)	(2,389)
Currency translation differences	–	72	–	72
End of financial year	48,733	24,548	5,806	79,087
<i>Accumulated depreciation</i>				
Beginning of financial year	10,583	20,252	6,983	37,818
Depreciation (Note 5)	2,644	1,884	68	4,596
Write-off	–	(98)	(1,831)	(1,929)
Currency translation differences	–	68	–	68
End of financial year	13,227	22,106	5,220	40,553
Net book value				
Beginning of financial year	38,150	3,388	1,114	42,652
End of financial year	35,506	2,442	586	38,534

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment, furniture and fittings	Computers	Total
	RMB'000	RMB'000	RMB'000
Company			
2020			
<i>Cost</i>			
Beginning of financial year	2,729	87	2,816
Write-off	(2,729)	–	(2,729)
Currency translation differences	–	(4)	(4)
End of financial year	–	83	83
<i>Accumulated depreciation</i>			
Beginning of financial year	2,678	61	2,739
Depreciation	51	10	61
Write-off	(2,729)	–	(2,729)
Currency translation differences	–	(1)	(1)
End of financial year	–	70	70
Net book value			
<i>Beginning of financial year</i>	51	26	77
<i>End of financial year</i>	–	13	13

	Office equipment, furniture and fittings	Computers	Total
	RMB'000	RMB'000	RMB'000
Company			
2019			
<i>Cost</i>			
Beginning of financial year	2,659	50	2,709
Additions	–	34	34
Currency translation differences	70	3	73
End of financial year	2,729	87	2,816
<i>Accumulated depreciation</i>			
Beginning of financial year	2,130	50	2,180
Depreciation	481	9	490
Currency translation differences	67	2	69
End of financial year	2,678	61	2,739
Net book value			
<i>Beginning of financial year</i>	529	–	529
<i>End of financial year</i>	51	26	77

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for the financial year ended 31 December 2020

18 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2020 RMB'000	2019 RMB'000
Unquoted equity shares, at cost:		
Beginning and end of financial year	2,966,325	2,966,325

Management assesses for impairment whenever there is any objective evidence or indication that investments in subsidiary corporations may be impaired.

The Group has the following subsidiary corporations as at 31 December 2020 and 2019:

Name of company	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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
Held by the Company								
Luckzone International Limited ^(a)	Investment holding	British Virgin Islands ("BVI")	100	100	100	100	–	–
Peak Century Holdings Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Top Accurate Holdings Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Verdant View Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Vast Speed Holdings Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Brandway Investments Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Ever Perfect Enterprise Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–
Oxleyville Investments Limited ^(a)	Investment holding	BVI	100	100	100	100	–	–

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for the financial year ended 31 December 2020

18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group has the following subsidiary corporations as at 31 December 2020 and 2019: (continued)

Name of company	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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
Held by the Company (continued)								
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)(c)} ("CQYL")	Property development	PRC	51	51	100	100	–	–
Held by Ever Perfect Enterprise Limited								
Fully Rich Industrial Limited ^(a)	Trading	Hong Kong	100	100	100	100	–	–
Held by Luckzone International Limited								
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd. ^{(b)(c)}	Property development	PRC	100	100	100	100	–	–
Held by Fortune Court Holdings Limited								
CQYL ^{(b)(c)}	Property development	PRC	46.05	46.05	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group has the following subsidiary corporations as at 31 December 2020 and 2019: (continued)

Name of company	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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
Held by CQYL								
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd. ^{(b)(c)} ("SYW")	Property development	PRC	80	80	80	80	20	20
Chongqing Ying Li Guangsheng Hardware and Electrical Market Development Co., Ltd. ^{(b)(c)} ("GS")	Property development, property management	PRC	100	100	100	100	–	–
Held by GS								
Chongqing Lu Zu Temple Real Estate Co., Ltd. ^{(b)(c)}	Property development	PRC	100	100	100	100	–	–
Held by Peak Century Holdings Limited								
Yingli International Commercial Properties Management Co., Ltd. ^{(b)(c)}	Property consultancy, sale, marketing and management	PRC	100	100	100	100	–	–
Chongqing Lion Equity Investment Partnership ^{(b)(c)}	Investment holding	PRC	1	1	100	100	–	–

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18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group has the following subsidiary corporations as at 31 December 2020 and 2019: (continued)

Name of company	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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
<u>Held by Yingli International Commercial Properties Management Co., Ltd.</u>								
Chongqing Yingli Retail Management Co., Ltd. ^{(b)(c)}	Property consultancy, sale, marketing and management	PRC	52.38	52.38	100	100	–	–
Chongqing Yingli Zhuoyue Retail Management Co., Ltd. ^{(b)(c)}	Property consultancy, sale, marketing and management	PRC	100	100	100	100	–	–
Chongqing Rong Guang Commercial Management Co., Ltd. ^{(b)(c)}	Mall, property management and corporate management consultancy	PRC	100	100	100	100	–	–
CQYL ^{(b)(c)}	Property development	PRC	2.95	2.95	100	100	–	–
<u>Held by Verdant View Limited</u>								
Chongqing Lion Equity Investment Partnership ^{(b)(c)}	Investment holding	PRC	99	99	100	100	–	–
<u>Held by Chongqing Lion Equity Investment Partnership</u>								
Chongqing Yingli Retail Management Co., Ltd. ^{(b)(c)}	Property consultancy, sale, marketing and management	PRC	47.62	47.62	100	100	–	–

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18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group has the following subsidiary corporations as at 31 December 2020 and 2019: (continued)

Name of company	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	
			2020	2019	2020	2019	2020	2019
			%	%	%	%	%	%
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)(c)}	Corporate management consultancy	PRC	100	100	100	100	–	–
Held by Chongqing Rong Guang Commercial Management Co., Ltd.								
Zhuhai Rong Guang Commercial Management Co., Ltd. ^(b)	Mall and property management, corporate management consultancy	PRC	100	100	100	100	–	–
Held by Chongqing Yingli Qipaifang Real Estate Development Co., Ltd.								
Chongqing Guang Rui Carpark Service Co., Ltd. ^(b)	Carpark, commercial property management and leasing services	PRC	100	–	100	–	–	–

(a) Audited by Nexia TS Public Accounting Corporation for consolidation purpose.

(b) Audited by Shanghai Nexia TS Certified Public Accountants for consolidation purpose.

(c) Audited by Ernst & Young Hua Ming LLP, Chengdu Branch for the financial year ended 31 December 2019 for consolidation purpose.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Carrying value of non-controlling interests

	Group	
	2020 RMB'000	2019 RMB'000
SYW	4,635	12,646

Set out below are the summarised financial information for the subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position of SYW

	2020 RMB'000	2019 RMB'000
Current assets	317,423	340,070
Non-current assets	148	154
Total assets	317,571	340,224
Current liabilities	294,394	276,993
Total liabilities	294,394	276,993
Net assets	23,177	63,231

Summarised income statement of SYW

	2020 RMB'000	2019 RMB'000
Revenue	4,290	11,024
Total comprehensive loss, representing net loss	(40,053)	(12,462)
Total comprehensive loss allocated to non-controlling interests	(8,011)	(2,492)

Summarised cash flows of SYW

	2020 RMB'000	2019 RMB'000
Net cash generated from operating activities	28,341	177,990
Net cash used in financing activities	(50,000)	(180,000)

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for the financial year ended 31 December 2020

18 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Acquisition of additional interest in a subsidiary in prior financial year

On 14 August 2019, the Company acquired the remaining 2.95% of the issued shares of CQYL. The Group now holds 100% equity interest in CQYL. The carrying amount of the non-controlling interests in CQYL on the date of acquisition was RMB41,042,000 which was included in reverse acquisition reserve due to Waiver Agreement. The Group derecognised non-controlling interests of RMB41,042,000 and recorded a decrease in equity attributable to owners of the parent of RMB51,120,000. The effect of changes in the ownership interest of CQYL on the equity attributable to owners of the Company during the year is summarised as follows:

	2019 RMB'000
Carrying amount of non-controlling interest acquired	41,042
Consideration paid to non-controlling interests	(92,162)
Excess of consideration paid recognised in parent's equity	(51,120)

19 BORROWINGS

	Group	
	2020 RMB'000	2019 RMB'000
<i>Current</i>		
<u>Financial instruments with floating interest rates:</u>		
Bank borrowings (secured)	93,971	957,619
<u>Financial instruments with fixed interest rates:</u>		
Bank borrowings (secured)	120,829	176,761
Bank notes (unsecured)	163,119	174,399
	377,919	1,308,779
<i>Non-current</i>		
<u>Financial instruments with floating interest rates:</u>		
Bank borrowings (secured)	2,272,893	1,518,020
Total	2,650,812	2,826,799
	Company	
	2020 RMB'000	2019 RMB'000
<i>Current</i>		
<u>Financial instruments with fixed interest rates:</u>		
Bank borrowings (secured)	120,829	126,761
Bank notes (unsecured)	326,239	348,798
Total	447,068	475,559

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

19 BORROWINGS (CONTINUED)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	Group	
	2020 RMB'000	2019 RMB'000
6 months or less	2,366,864	2,475,639

The weighted effective interest rates are as follows:

	Group	
	2020 RMB'000 %	2019 RMB'000 %
Bank borrowings	5.48	5.52
Bank notes	3.00	3.00

	Company	
	2020 %	2019 %
Bank borrowings	1.02	2.13
Bank notes	3.00	3.00

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.

As at 31 December 2020, the borrowings from financial institutions are secured by:

- (a) mortgage over certain investment properties with carrying value of approximately RMB3,909,775,000 (2019: RMB3,912,935,000) (Note 16);
- (b) mortgage over certain development properties with carrying value of approximately RMB357,981,000 (2019: RMB366,149,000) (Note 14);
- (c) intra-group corporate guarantees from certain Group entities; and
- (d) bank balances pledged amounting to RMB314,370,000 (2019: RMB338,374,000) (Note 12).

Security granted

The Company has provided guarantees to banks in respect of banking facilities granted to Group entities amounting to RMB1,099,585,000 (2019: RMB840,649,000). 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 reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

20 TRADE AND OTHER PAYABLES

	Group	
	2020	2019
	RMB'000	RMB'000
Trade payables		
- Non-related parties	101,030	157,657
Other payables		
- Non-related parties	144,114	136,574
- Related party	372,329	161,128
Accruals for operating expenses	84,761	80,022
Deposits received	43,097	43,577
Other tax payables	71,107	50,011
Financial liabilities, at amortised cost	816,438	628,969
Advances received from lessees	17,526	21,382
Contract liabilities (Note 4(a))	41,436	26,110
Total trade and other payables	875,400	676,461

The Group's other payables to a related party is unsecured, interest free and repayable on demand.

	Company	
	2020	2019
	RMB'000	RMB'000
Other payables		
- Related party	372,329	161,128
Accruals for operating expenses	25,936	21,759
Other tax payables	64,157	30,681
Amount due to subsidiary corporations	1,453,355	1,490,513
Total trade and other payables	1,915,777	1,704,081

The Company's amount due to subsidiary corporations and a related party are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

21 PROVISIONS

	Group	
	2020 RMB'000	2019 RMB'000
<i>Current</i>		
Provision on litigation case #a	337,777	359,377
Provision on litigation case #b	–	28,578
Provision on penalties	40,322	40,322
	378,099	428,277

	Group	
	2020 RMB'000	2019 RMB'000
<i>Movement:</i>		
Beginning of financial year	428,277	425,102
(Reversal) / provision made (Note 8)	(36,332)	3,899
Reversal of provision previously utilised	11,797	–
Provision utilised	(25,643)	(724)
End of financial year	378,099	428,277

Provision on litigation cases #a

In May 2017, CQYL entered into certain agreements (the "Agreements") with 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 amounts to approximately RMB359,377,000.

During the financial year ended 31 December 2020, CQYL and certain Non-Related Parties entered into a settlement agreement, where such 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. As of 31 December 2020, CQYL had received repayment of an amount of RMB11,797,500, and the management has accordingly reversed the provisions in respect of the cash repayment received and other savings based on the settlement agreement in the financial statements for the financial year ended 31 December 2020. However, the Disputes have not concluded as the settlement agreement was only in respect of certain elements of the Disputes. Taking into account the information available to the management and the advice obtained from the Group's legal advisers 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, the management has made provisions in respect of such remaining liabilities in the financial statements for the financial year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

21 PROVISIONS (CONTINUED)

Provision on litigation case #b

The litigation case is in relation to a dispute arising out of a joint construction agreement entered into by CQYL with a non-related party on 9 August 2001. During the financial year ended 31 December 2020, CQYL and the non-related party entered into an enforcement and settlement agreement in respect of the litigation case. The Group has repaid RMB25,643,000 (including the cash compensation, interest, legal and appraisal fees) to the counterparty in full and final settlement of the litigation case.

Provision on penalties

Provisions were provided for potential penalties charged by local authorities for certain non-compliance matters in relation with the projects developed.

Legal Proceedings

As announced by the Company on 3 February 2021 (the “**Announcement**”), legal proceedings have been commenced against the Company and certain of its subsidiaries and CEL in Chongqing, PRC by Mr. Fang Ming, the Company’s former Group Chief Executive Officer and a former controlling shareholder of the Company (“**Plaintiff**”). The Plaintiff is claiming an amount of up to RMB 1.172 billion from CEL, the controlling shareholder of the Company, in connection with the sale of the Plaintiff’s wholly owned company’s shares in the Company to the indirect subsidiaries of CEL. The Plaintiff has also applied for the Company and certain of its subsidiaries to be jointly liable.

As highlighted in the Announcement, based on current information available and the preliminary legal advice from the Company’s Chinese legal counsel, the Company is of the view that the legal proceedings will not have material impact on the financial position of the Group. In addition, the management’s opinion is that the legal proceedings will not significantly affect the daily operations of the Group. Further details on this ongoing litigation proceedings are set out in the Announcement, which has been uploaded on the Company’s website as well as SGXNET.

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 fiscal authority. The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

	Group	
	2020 RMB'000	2019 RMB'000
Deferred income tax assets	27,529	27,529
Deferred income tax liabilities	(531,114)	(566,459)
Net deferred income tax liabilities	(503,585)	(538,930)

Movement in deferred income tax account is as follows:

	Group	
	2020 RMB'000	2019 RMB'000
Beginning of financial year	(538,930)	(694,685)
Reclassified from prepaid tax	45,553	–
(Charged)/Credited to profit or loss (Note 10)	(10,208)	155,755
End of financial year	(503,585)	(538,930)

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for the financial year ended 31 December 2020

22 DEFERRED INCOME TAXES (CONTINUED)

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 assets, at FVPL	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Deferred income tax assets</i>				
2020				
Beginning and end of financial year	–	–	27,529	27,529
2019				
Beginning and end of financial year	–	–	27,529	27,529
<i>Deferred income tax liabilities</i>				
2020				
Beginning of financial year	447,427	77,700	41,332	566,459
Credited to profit or loss	(4,750)	(25,000)	(5,595)	(35,345)
End of financial year	442,677	52,700	35,737	531,114
2019				
Beginning of financial year	540,350	112,250	69,614	722,214
Credited to profit or loss	(92,923)	(34,550)	(28,282)	(155,755)
End of financial year	447,427	77,700	41,332	566,459

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is RMB1,640,487,000 (2019: RMB1,738,495,000). 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 RMB164,048,700 (2019: RMB173,850,000) relating to the undistributed earnings has not been recognised.

23 SHARE CAPITAL

	Number of ordinary shares	Amount RMB'000
Company		
2020 and 2019		
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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

24 PERPETUAL CONVERTIBLE SECURITIES

In October 2014, the Company issued perpetual subordinated convertible securities (the "Perpetual Convertible Securities") with an initial aggregate principal amount of Singapore dollars 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 "Circular"). 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.

The Perpetual Convertible Securities are convertible into 581,761,006 new shares of the Company at an initial conversion price of S\$0.318 per share.

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.

The Perpetual Convertible Securities confer on the holder a right to receive a distribution at a pre-determined date at a rate at 16.06% (31 December 2019: 9.50% to 16.06%). The Company may elect to defer distribution and is not subject to any limits as to the number of times distribution can be deferred, all outstanding principal of the Securities, arrears of distribution and additional distribution amount shall from and including the date of deferral of distribution incur additional interest of 0.015% per day.

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 2020 was RMB248,716,000 (2019: RMB112,530,000).

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).

As the Perpetual Convertible Securities impose no contracted obligation on the Group to repay its principal or to pay any distributions, they do not meet the definition for classification as financial liabilities. As a result, the whole instrument is classified as equity, and respective distributions, if and when declared, are treated as dividends.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

25 OTHER RESERVES

	Group	
	2020 RMB'000	2019 RMB'000
(a) Composition:		
Reverse acquisition reserve	(2,034,754)	(2,034,754)
Convertible bonds reserve	42,458	42,458
Statutory common reserve	91,018	91,018
Currency translation reserve	(18,570)	(78,710)
	(1,919,848)	(1,979,988)
(b) Movements:		
<i>(i) Reverse acquisition reserve</i>		
Beginning of financial year	(2,034,754)	(1,993,712)
Acquisition of additional interest in a subsidiary	–	(41,042)
End of financial year	(2,034,754)	(2,034,754)
<i>(ii) Convertible bonds reserve</i>		
Beginning and end of financial year	42,458	42,458
<i>(iii) Statutory common reserve</i>		
Beginning and end of financial year	91,018	91,018
<i>(iv) Currency translation reserve</i>		
Beginning of financial year	(78,710)	(39,023)
Net currency translation differences arising from consolidation	60,140	(39,687)
End of financial year	(18,570)	(78,710)
	Company	
	2020 RMB'000	2019 RMB'000
(c) Composition:		
Convertible bonds reserve	42,458	42,458
Currency translation reserve	(17,354)	(21,055)
	25,104	21,403
(d) Movement		
<i>(i) Convertible bonds reserve</i>		
Beginning and end of financial year	42,458	42,458
<i>(ii) Currency translation reserve</i>		
Beginning of financial year	(21,055)	(9,470)
Net translation differences	3,701	(11,585)
End of financial year	(17,354)	(21,055)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

25 OTHER RESERVES (CONTINUED)

The reverse acquisition reserve relates to the excess of purchase consideration over the fair value of the net assets of subsidiary corporations acquired under a reverse acquisition.

The convertible bonds reserve relates to the equity component of the convertible bonds issued in prior 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 absolute fixed annual increase to the lease payments during the lease period.

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	
	2020 RMB'000	2019 RMB'000
Not later than one year	147,500	167,205
Between one and five years	342,885	359,930
Later than five years	127,407	168,596
	617,792	695,731

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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 Renminbi ("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 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows:

	Group				Total RMB'000
	RMB RMB'000	SGD RMB'000	USD RMB'000	HKD RMB'000	
As at					
31 December 2020					
Financial assets					
Financial assets, at FVPL	769,799	–	–	–	769,799
Cash and cash equivalents	634,103	7,128	116,607	–	757,838
Trade and other receivables	329,594	237	–	–	329,831
	1,733,496	7,365	116,607	–	1,857,468
Financial liabilities					
Trade and other payables	(367,270)	(442,163)	(7,005)	–	(816,438)
Provisions	(378,099)	–	–	–	(378,099)
Borrowings	(1,949,278)	(120,829)	(580,705)	–	(2,650,812)
	(2,694,647)	(562,992)	(587,710)	–	(3,845,349)
Net financial liabilities	(961,151)	(555,627)	(471,103)	–	(1,987,881)
Less: Net financial liabilities denominated in the respective entities' functional currencies	961,218	555,633	–	–	1,516,851
Currency exposure of net financial assets/(liabilities) of those denominated in the respective entities' functional currencies	67	6	(471,103)	–	(471,030)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows: (continued)

	Group				Total RMB'000
	RMB RMB'000	SGD RMB'000	USD RMB'000	HKD RMB'000	
As at					
31 December 2019					
Financial assets					
Financial assets, at FVPL	869,799	–	–	–	869,799
Cash and cash equivalents	838,885	17,124	146,444	45	1,002,498
Trade and other receivables	325,170	4,357	–	–	329,527
	2,033,854	21,481	146,444	45	2,201,824
Financial liabilities					
Trade and other payables	(414,536)	(208,660)	(5,773)	–	(628,969)
Provisions	(428,277)	–	–	–	(428,277)
Borrowings	(2,105,990)	(365,035)	(355,774)	–	(2,826,799)
	(2,948,803)	(573,695)	(361,547)	–	(3,884,045)
Net financial (liabilities)/assets	(914,949)	(552,214)	(215,103)	45	(1,682,221)
Less: Net financial liabilities denominated in the respective entities' functional currencies	917,940	552,220	–	–	1,470,160
Currency exposure of net financial assets/(liabilities) of those denominated in the respective entities' functional currencies	2,991	6	(215,103)	45	(212,061)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows: (continued)

	Company				Total RMB'000
	RMB RMB'000	SGD RMB'000	USD RMB'000	HKD RMB'000	
As at 31 December 2020					
Financial assets					
Cash and cash equivalents	–	6,747	90,478	–	97,225
Trade and other receivables	1,226,948	490,548	1,003,316	–	2,720,812
	1,226,948	497,295	1,093,794	–	2,818,037
Financial liabilities					
Trade and other payables	(576,607)	(803,122)	(536,040)	(8)	(1,915,777)
Borrowings	–	(120,829)	(326,239)	–	(447,068)
	(576,607)	(923,951)	(862,279)	(8)	(2,362,845)
Net financial assets/ (liabilities)	650,341	(426,656)	231,515	(8)	455,192
Add: Net financial liabilities denominated in the respective entities' functional currencies	–	426,656	–	–	426,656
Currency exposure of net financial assets of those denominated in the respective entities' functional currencies	650,341	–	231,515	(8)	881,848

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's and the Company's foreign currency exposure based on the information provided to key management is as follows: (continued)

	Company				Total RMB'000
	RMB RMB'000	SGD RMB'000	USD RMB'000	HKD RMB'000	
As at					
31 December 2019					
Financial assets					
Cash and cash equivalents	–	16,726	133,270	47	150,043
Trade and other receivables	1,226,948	515,011	1,072,244	–	2,814,203
	1,226,948	531,737	1,205,514	47	2,964,246
Financial liabilities					
Trade and other payables	(561,779)	(569,422)	(572,871)	(9)	(1,704,081)
Borrowings	–	(126,761)	(348,798)	–	(475,559)
	(561,779)	(696,183)	(921,669)	(9)	(2,179,640)
Net financial (liabilities)/assets	(665,169)	(164,446)	283,845	38	784,606
Add: Net financial liabilities denominated in the respective entities' functional currencies	–	164,446	–	–	164,446
Currency exposure of net financial assets of those denominated in the respective entities' functional currencies	665,169	–	283,845	38	949,052

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

A 1% (2019: 1%) strengthening of RMB, SGD, USD and HKD 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	
	2020 RMB'000	2019 RMB'000
RMB	1	30
SGD	*	*
USD	(4,711)	(2,151)
HKD	—	*

* Less than RMB1,000

	Company	
	2020 RMB'000	2019 RMB'000
RMB	6,503	6,652
USD	2,315	2,838
HKD	*	*

* Less than RMB1,000

A 1% (2019: 1%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have the equal but opposite effect to the amounts shown above, on the basis that all other variables are being held constant.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months from the reporting date.

The Group obtains additional financing through bank borrowings arrangements. The Group's policy is to obtain the most favourable interest rates available without increasing its exposure.

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	
	2020 RMB'000	2019 RMB'000
Financial liabilities		
<i>Fixed rate</i>		
Bank borrowings	120,829	176,761
Bank notes	163,119	174,399
	283,948	351,160
<i>Floating rate</i>		
Bank borrowings	2,366,864	2,475,639
	2,366,864	2,475,639
	Company	
	2020 RMB'000	2019 RMB'000
Financial liabilities		
<i>Fixed rate</i>		
Bank borrowings	120,829	126,761
Bank notes	326,239	348,798
	447,068	475,559

Sensitivity analysis

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 2020

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 (2019: 50 basis points) in interest rate at the reporting date would (increase)/decrease loss before income tax by the amounts shown below. This analysis assumes that all other variables being held constant.

	Profit or loss	
	50 basis points increase RMB'000	50 basis points decrease RMB'000
Group		
31 December 2020		
Floating rate instruments	(11,834)	11,834
31 December 2019		
Floating rate instruments	(12,378)	12,378

(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 no allowance for impairment is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient rental deposits as collateral, and hence ECL is not material.

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 2020

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

Movement in allowance on other receivables:

	Group	
	2020 RMB'000	2019 RMB'000
At the beginning of the year	350,183	325,960
Charge to profit or loss included in other losses (Note 8)	–	24,223
At end of the year	350,183	350,183

The Company held non-trade receivables from its subsidiaries amounting to RMB2,720,541,000 (2019: RMB2,812,930,000). These balances are amounts funded to subsidiaries as working capital. The Company used general approach for assessment of ECLs 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 impairment on these balances has been measured on the 12 month expected credit loss basis and the amount of the allowance is RMB302,056,000 (2019: RMB302,056,000).

Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. The Group has intra-group financial guarantees. These guarantees are subject to the impairment requirements of SFRS(I) 9. 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.

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for the financial year ended 31 December 2020

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.

	Group		
	Less than 1 year RMB'000	Between 2 to 5 years RMB'000	Over 5 years RMB'000
	At 31 December 2020		
Trade and other payables	816,438	–	–
Provisions	378,099	–	–
Borrowings	377,919	2,023,141	780,743
	1,572,456	2,023,141	780,743
At 31 December 2019			
Trade and other payables	628,969	–	–
Provisions	428,277	–	–
Borrowings	1,476,254	1,041,158	960,507
	2,533,500	1,041,158	960,507
	Company		
	Less than 1 year RMB'000	Between 2 to 5 years RMB'000	
	At 31 December 2020		
Trade and other payables	1,915,777	–	
Borrowings	447,068	–	
	2,362,845	–	
At 31 December 2019			
Trade and other payables	1,704,081	–	
Borrowings	491,859	–	
	2,195,940	–	

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for the financial year ended 31 December 2020

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 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	
	2020	2019
	RMB'000	RMB'000
Borrowings	2,650,812	2,826,799
Cash and cash balances	(757,838)	(1,002,498)
Net debt	1,892,974	1,824,301
Total equity	2,619,289	3,003,724
Total capital	4,512,263	4,828,025
Gearing ratio	42%	38%

	Company	
	2020	2019
	RMB'000	RMB'000
Borrowings	447,068	475,559
Cash and cash balances	(97,225)	(150,043)
Net debt	349,843	325,516
Total equity	3,421,770	3,751,297
Total capital	3,771,613	4,076,813
Gearing ratio	9%	8%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

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27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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).

The following table presents the assets and liabilities measured at fair value at each reporting date:

	Level 3 RMB'000
31 December 2020	
Financial assets, at FVPL	769,799
31 December 2019	
Financial assets, at FVPL	869,799

There were no transfers between Levels 1, 2 and 3 of fair value measurement hierarchy during the financial years ended 31 December 2020 and 2019.

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 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 2020

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
31 December 2020		
Direct comparison approach, income method and residual value	selling price per square meter ⁽¹⁾	RMB45,600 - RMB55,600
	discount rate ⁽²⁾	7%
	occupancy rate ⁽¹⁾	98%
	rental growth ⁽¹⁾	3% - 4%
	gross development value per square meter ⁽¹⁾	RMB25,300
	value of to-be-developed land per square meter ⁽¹⁾	RMB22,163
31 December 2019		
Direct comparison approach, income method and residual value	selling price per square meter ⁽¹⁾	RMB37,250 - RMB48,120
	discount rate ⁽²⁾	7%
	occupancy rate ⁽¹⁾	95% - 98%
	rental growth ⁽¹⁾	3% - 4%
	gross development value per square meter ⁽¹⁾	RMB25,300
	value of to-be-developed land per square meter ⁽¹⁾	RMB19,111

(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 year.

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 2020 and 2019.

(f) Financial instruments by category

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

	Group	
	2020 RMB'000	2019 RMB'000
Financial assets, at FVPL	769,799	869,799
Financial assets, at amortised cost	1,087,669	1,332,025
Financial liabilities, at amortised cost	3,845,349	3,884,045
	Company	
	2020 RMB'000	2019 RMB'000
Financial assets, at amortised cost	2,818,037	2,964,246
Financial liabilities, at amortised cost	2,362,845	2,179,640

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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 directors and other members of key management during the financial year is as follows:

	Group	
	2020 RMB'000	2019 RMB'000
Directors' fees	1,975	1,491
Directors' remuneration		
- salaries, wages and other related costs	2,193	8,333
Key management personnel (other than directors)		
- salaries, wages and other related costs	7,239	4,982

(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	
	2020 RMB'000	2019 RMB'000
Fees paid / payable to a subsidiary of controlling shareholder for securing credit facilities to fund the Group's property development projects	–	1,505
Management fees and related costs charged by a joint venture of controlling shareholder	3,867	5,394
Distribution on perpetual convertible securities paid/payable to controlling shareholder	248,716	112,530

29 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ("CEO"), designated as the Chief Operating Decision Maker ("CODM"), that are used to make strategic decisions, allocate resources, and assess performance.

The CEO 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, PRC and Hong Kong. From a business segment perspective, management separately considers the business activities in these geographic areas.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

29 SEGMENT INFORMATION (CONTINUED)

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different marketing strategies. For each of the strategic business units, the CEO reviews the internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

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

There are sales between operating segments. The revenue from external parties reported to the CEO is measured in a manner consistent with that in the statement of comprehensive income.

The segment information provided to the CEO for the reportable segments is as follows:

	Property investment RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
2020				
Revenue				
Total segment sales	167,039	63,996	–	231,035
Adjusted EBIT	50,575	(83,646)	(1,360)	(34,431)
Depreciation of property, plant and equipment	–	–	3,053	3,053
Segment assets	4,166,770	2,188,913	879,116	7,234,799
Segment assets includes:				
Additions to:				
- Property, plant and equipment	–	–	627	627
Segment liabilities	2,096,088	722,253	1,797,169	4,615,510
	Property investment RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
2019				
Revenue				
Total segment sales	217,345	141,580	–	358,925
Adjusted EBIT	(315,213)	(145,330)	(43,673)	(504,216)
Depreciation of property, plant and equipment	–	–	4,596	4,596
Segment assets	4,180,841	2,547,673	994,250	7,722,764
Segment assets includes:				
Additions to:				
- Property, plant and equipment	–	–	934	934
Segment liabilities	2,171,296	681,940	1,865,804	4,719,040

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

29 SEGMENT INFORMATION (CONTINUED)

(a) Reconciliation

Segment profit

Segment profit is reconciled to profit before income tax as follows:

The amounts provided to the CEO with respect to loss before income tax are measured in a manner consistent with that in the consolidated statement of comprehensive income. These losses are allocated based on the operations of the segment. All losses are allocated to the reportable segments other than directors' fees, employee compensation, auditors' remuneration, legal and professional fees, travelling expenses and others as these are separately analysed and driven by the finance department, which manages the financial position of the Group.

	Group	
	2020 RMB'000	2019 RMB'000
Adjusted EBIT for reportable segments	(33,071)	(460,543)
Adjusted EBIT for other segments	(1,360)	(43,673)
Total adjusted EBIT	(34,431)	(504,216)
Finance expenses	(150,129)	(171,279)
Loss before income tax	(184,560)	(675,495)

(b) 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;
- PRC – the operations in this area are principally the property development and property investment and facility management;

	Group	
	2020 RMB'000	2019 RMB'000
Sales		
- PRC	231,035	358,925
Non-current assets		
- PRC	4,961,588	5,097,865

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

30 COVID-19 PANDEMIC AND THE AFTERMATH

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

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) In 2020, border, malls, retails space and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have impacted business activities in 2020, resulting in a negative impact on the Group's financial performance for 2020, as a result, lower sales revenue recognised in 2020.
- (iii) As a result of COVID-19, rent concessions have been granted to eligible lessees. Such concessions take a form of waiver up to two months of rental to eligible tenants.

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

31 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 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

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

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022).

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

31 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

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

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

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

32 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 1 April 2021.

SHAREHOLDERS' INFORMATION

as at 18 March 2021

SHAREHOLDERS' INFORMATION AS AT 18 MARCH 2021

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 18 MARCH 2021

Size of Shareholding		Number of Shareholders	%	Number of Shares	%
1	- 99	5	0.12	141	0.00
100	- 1,000	71	1.74	55,137	0.00
1,001	- 10,000	1,253	30.63	9,801,600	0.38
10,001	- 1,000,000	2,719	66.48	208,886,287	8.17
1,000,001	and above	42	1.03	2,338,296,859	91.45
		4,090	100.00	2,557,040,024	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2021

(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 Venture Capital Limited ⁽⁷⁾	-	-	1,461,011,837	57.14%
China Everbright Limited ⁽⁸⁾	-	-	1,842,011,837	72.04%
Honorich Holdings Limited ⁽⁹⁾	-	-	1,842,011,837	72.04%
Datten Investments Limited ⁽¹⁰⁾	-	-	1,842,011,837	72.04%
China Everbright Holdings Company Limited ⁽¹¹⁾	-	-	1,842,011,837	72.04%
China Everbright Group Ltd. ⁽¹²⁾	-	-	1,842,011,837	72.04%
Central Huijin Investment Ltd. ⁽¹³⁾	-	-	1,842,011,837	72.04%

Notes:

- (1) Everbright Hero Limited has a total beneficial interest in 381,000,000 shares, of which all of such 381,000,000 shares are held in the names of nominees.
- (2) State Alpha Limited has a total beneficial interest in 1,461,011,837 shares, out of which 1,125,474,562 shares are held in the names of nominees.
- (3) Everbright Hero Holdings Limited holds 100% of the shareholding in Everbright Hero Limited and is therefore deemed interested in the shares held by Everbright Hero Limited.

SHAREHOLDERS' INFORMATION

as at 18 March 2021

- (4) Everbright Hero, L.P. holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% shares of the shareholding in Everbright Hero Limited. Everbright Hero, L.P. is therefore deemed interested in the shares held by Everbright Hero Limited.
- (5) Everbright Hero LP Limited holds a majority shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero LP Limited is therefore deemed interested in the shares held by Everbright Hero Limited.
- (6) Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a majority shareholding 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 Venture Capital Limited also holds 100% of the shareholding in State Alpha Limited and is therefore deemed interested in the shares held by State Alpha Limited.
- (8) 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 China Everbright Venture Capital Limited, which in turn 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.
- (9) 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 and 100% of the shareholding in China Everbright Venture Capital Limited, each of which is in turn, respectively, 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.
- (10) Datten Investments 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 and 100% of the shareholding in China Everbright Venture Capital Limited, each of which is in turn, respectively, deemed interested in the shares held by Everbright Hero Limited and holds 100% of the shareholding in State Alpha Limited. Datten Investments Limited is therefore deemed interested in all the shares held by Everbright Hero Limited and State Alpha Limited.
- (11) China Everbright Holdings Company Limited holds 100% of the shareholding in Datten Investments Limited. Datten Investments 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 and 100% of the shareholding in China Everbright Venture Capital Limited, each of which is in turn, respectively, deemed interested in the shares held by Everbright Hero Limited and 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.
- (12) 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 Datten Investments Limited. Datten Investments 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 and 100% of the shareholding in China Everbright Venture Capital Limited, each of which is in turn, respectively, deemed interested in the shares held by Everbright Hero Limited and 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.
- (13) 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 Datten Investments Limited. Datten Investments 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 and 100% of the shareholding in China Everbright Venture Capital Limited, each of which is in turn, respectively, deemed interested in the shares held by Everbright Hero Limited and 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 18 March 2021

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	DBS VICKERS SECURITIES (S) PTE LTD	1,507,053,562	58.94
2	STATE ALPHA LIMITED	335,537,275	13.12
3	CITIBANK NOMINEES SINGAPORE PTE LTD	117,030,352	4.58
4	DBS NOMINEES PTE LTD	102,634,464	4.01
5	PHILLIP SECURITIES PTE LTD	35,500,600	1.39
6	RAFFLES NOMINEES (PTE) LIMITED	31,846,212	1.24
7	OCBC SECURITIES PRIVATE LIMITED	30,129,439	1.18
8	LIM HONG CHING	25,208,000	0.99
9	POH CHOO BIN	25,183,500	0.98
10	UOB KAY HIAN PTE LTD	23,343,800	0.91
11	MAYBANK KIM ENG SECURITIES PTE. LTD	15,007,700	0.59
12	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	9,300,000	0.36
13	CHEONG CHOONG KONG	7,762,000	0.30
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,726,700	0.30
15	PENG XIALIN	5,944,000	0.23
16	LOH KERN SIANG	5,500,000	0.22
17	TAN OOI NYUK	5,500,000	0.22
18	MERRILL LYNCH (SINGAPORE) PTE LTD	4,237,247	0.17
19	YUN KWANG HUN	4,000,000	0.16
20	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,967,708	0.15

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 18 March 2021

PERPETUAL SUBORDINATED CONVERTIBLE CALLABLE SECURITIES

Principal Size of Perpetual Subordinated Convertible Securities ("Perpetual Convertible Securities):	<p>S\$185,000,000 in aggregate principal amount of Perpetual Convertible Securities comprising two tranches.</p> <p>Tranche 1 Perpetual Convertible Securities shall comprise S\$165,000,000 in aggregate principal amount of Perpetual Convertible Securities and can be redeemed by the Company after the date of the fifth anniversary of the Issue Date (including the date of the fifth anniversary of the Issue Date)).</p> <p>Tranche 2 Perpetual Convertible Securities shall comprise S\$20,000,000 in aggregate principal amount of Perpetual Convertible Securities and can be redeemed by the Company during the following periods:</p> <ul style="list-style-type: none">(i) between the second anniversary of the Issue Date (including the date of the second anniversary of the Issue Date) and the third anniversary of the Issue Date (but excluding the date of the third anniversary of the Issue Date); and(ii) after 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 adjustment 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 Shares:	<p>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 Perpetual Convertible Securities is 581,761,006.</p> <p>The Conversion Shares will rank, upon issue, <i>pari passu</i> in all respects with the Shares in issue on the date of allotment and issue of such Conversion Shares except for any dividends, rights, allotments or other distributions, the record date for which is prior to the date of the issue of the Conversion Shares.</p>

For more information on the Perpetual Convertible Securities, please refer to the Company's Circular dated 18 August 2014.

NOTICE OF ANNUAL GENERAL MEETING

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Company Registration No.199106356W)
(Incorporated in the Republic of Singapore)

This Notice has been made available on the home page of the Company's corporate website (www.yingligi.com) and SGXNET. A printed copy of the Notice of Annual General Meeting will not be despatched to members of the Company.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of Ying Li International Real Estate Limited (the "**Company**") will be by way of electronic means on Thursday, 29 April 2021 at 9.30 a.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 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company ("**Directors**") retiring pursuant to Articles 106 and 90 of the Company's Constitution:

Mr. Chia Seng Hee (retiring under Article 106) **(Resolution 2)**

Dr. Yang Haishan (retiring under Article 90) **(Resolution 3)**

[See Explanatory Note (i)]

The information relating to Mr. Chia Seng Hee and Dr. Yang Haishan as required under Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited is set out on pages 163 and 164 of the Annual Report.

3. To approve not to fill the vacated office of Mr. Hu Bing, who is retiring as a Director pursuant to Article 106 of the Company's Constitution, in accordance with Article 108(a) of the Company's Constitution. **(Resolution 4)**

[See Explanatory Note (ii)]

4. To approve the payment of Directors' Fees of S\$430,000 for the financial year ending 31 December 2021, payable quarterly in arrears. **(Resolution 5)**

[See Explanatory Note (iii)]

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. 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 resolutions as Ordinary Resolutions, with or without modifications:-

7. SHARE ISSUE MANDATE

THAT pursuant to Section 161 of the Companies Act, Chapter 50 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

NOTICE OF ANNUAL GENERAL MEETING

- (b) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares (collectively, "Instruments"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- II. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

- (b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares (excluding treasury Shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:-

- (i) new Shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (ii) new Shares arising from exercise of share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

- (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

- (d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

By Order of the Board

Toh Li Ping, Angela
Company Secretary

14 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr. Chia Seng Hee will, upon re-election as a Director, remain as the Lead Independent Director and Chairman of the Audit Committee and the Nominating Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Dr. Yang Haishan will, upon re-election as a Director, remain as a Non-Executive and Non-Independent Director and a member of the Nominating Committee.

- (ii) Mr. Hu Bing is due for retirement from his office as Director at the forthcoming AGM pursuant to Article 106 of the Company's Constitution. Pursuant to Article 108 of the Company's Constitution, the Company at the meeting at which a Director retires under Article 106 of the Company's Constitution may by ordinary resolution fill the vacated office by electing a person thereto. In default, the retiring Director shall be deemed to have been re-elected unless, *inter alia*, at such meeting it is expressly resolved not to fill such vacated office.

The Board, with the concurrence of the NC, has resolved that the Company will not be filling the vacated office of Mr. Hu Bing.

The purpose of Ordinary Resolution 4 proposed in item 3 above, is to seek approval from shareholders of the Company not to fill the vacated office of Mr. Hu Bing. If Ordinary Resolution 4 is passed, Mr. Hu Bing shall retire and shall not be deemed to have been re-elected as Director at the conclusion of the forthcoming AGM.

- (iii) Ordinary Resolution 5 proposed in item 4 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 2021 ("FY2021").

Should any Director hold office for only part of FY2021 and not the whole of FY2021, the Director's fee payable to him will be appropriately pro-rated.

- (iv) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury Shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-

- (a) new Shares arising from the conversion or exercise of any convertible securities which were issued and outstanding or subsisting at the time of the passing of Resolution 7;
- (b) new Shares arising from the exercise of share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's effort to keep physical interactions and the COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person.
2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - (a) voting by proxy at the AGM. Please refer to Notes 3 to 10 below for further details.
 - (b) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Notes 11 to 14 below; and
 - (c) submitting questions ahead of the AGM. Please refer to Notes 15 to 17 below for further details.

NOTICE OF ANNUAL GENERAL MEETING

Voting by proxy

3. The Live Webcast will not provide for online voting. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The Proxy Form must be submitted through any one of the following means:
 - (a) by depositing a physical copy at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) by sending a scanned PDF copy by email to main@zicoholdings.com,

in each case, no later than 9.30 a.m. on 27 April 2021, and failing which, the Proxy Form will not be treated as valid.

6. The Proxy Form shall be in writing and must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where the Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. 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 with respect to the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
8. 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.
9. In the case of a member of the Company whose Shares are entered against his/her name in the Depositor Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
10. A member of the Company who holds his/her Shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 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, Chapter 289 of Singapore and who holds Shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 Central Provident Fund Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

Participation in AGM proceedings via "live webcast"

11. A member of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register by 9.30 a.m. on 26 April 2021 ("**Registration Deadline**"), at the following URL: <http://yinglij.com/agma/> (the "**Pre-registration Website**").
12. It is important that you provide your email address in your registration form. Following authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status containing login credentials to access the Live Webcast of the AGM proceedings using the account created.
13. Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 6.00 p.m. on 27 April 2021 should contact the Company's share registrar, B.A.C.S. Private Limited at the following email address: main@zicoholdings.com, with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.
14. To pre-register for the Live Webcast, kindly access the Pre-registration Website using either the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox.

Submission of questions prior to the AGM

15. A member of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant during the AGM proceedings.
16. To do so, all questions must be submitted no later than 9.30 a.m. on 26 April 2021:
 - (a) via the Pre-registration Website; or
 - (b) in physical copy by depositing the same at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (c) by email to main@zicoholdings.com.
17. 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 (as defined below), 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.

Personal Data Privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company: (i) consents to the collection, use and disclosure of such member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where such member discloses the personal data of such member's proxy(ies) and/or representative(s) to the Company (or its agents), such member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that such member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

ADDITIONAL INFORMATION REQUIRED PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST ON DIRECTORS SEEKING FOR RE-ELECTION (AS AT 14 APRIL 2021)

The following additional information on Mr Chia Seng Hee, Jack and Dr Yang Haishan, 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 18 and 19 of this Annual Report.

	Chia Seng Hee, Jack ("Jack Chia")	Yang Haishan
Date of Appointment	27 July 2018	5 June 2020
Date of last re-appointment (if applicable)	29 April 2019	Not applicable
Age	60	48
Country of principal residence	Singapore	China
The Board's comments on this appointment / re-election (In the Company's case, the Board's comments on this re-election)	<p>The Nominating Committee ("NC") having considered the attendance and participation of the Director at Board and Board Committees meetings, in particular, Mr Jack Chia's contribution to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Mr Jack Chia who will be retiring by rotation pursuant to Article 106 of the Company's Constitution at the forthcoming AGM.</p> <p>The Board supported the NC's recommendation.</p> <p>Mr Jack Chia had abstained from voting on any resolution and making any recommendation and/or participate in respect of his own re-election.</p>	<p>The NC having considered the attendance and participation of the Director at Board and Board Committees meetings, in particular, Dr Yang Haishan's contribution to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Dr Yang Haishan who will be retiring by rotation pursuant to Article 90 of the Company's Constitution at the forthcoming AGM.</p> <p>The Board supported the NC's recommendation.</p> <p>Dr Yang Haishan had abstained from voting on any resolution and making any recommendation and/or participate in respect of his own re-election.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director and Chairmen of the Audit and Nominating Committees ("NC")	Non-Executive and Non-Independent Director and a member of the NC
Professional qualifications	Please refer to the Directors' respective biographies on pages 18 and 19 of this Annual Report.	
Working experience and occupation(s) during the past 10 years	Please refer to the Directors' respective biographies on pages 18 and 19 of this Annual Report.	
Shareholding interest in the listed issuer and its subsidiaries	Direct interest of 1,000 ordinary shares in the Company	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
Conflict of interest (including any competing business)	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR RE-ELECTION

	Chia Seng Hee, Jack ("Jack Chia")	Yang Haishan
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
Other Principal Commitments*	Please refer to the Directors' respective biographies on pages 18 and 19 of this Annual Report.	
Other Directorships for the past 5 years	(i) AGV Group Limited (ii) China Hongcheng Holdings Limited (Delisted from the Official List of the SGX-ST with effect from 9.00 a.m. on 22 November 2016) (iii) Legami Pte. Ltd. (iv) Best Success (Hong Kong) Ltd (v) Jack Global Consulting Pte. Ltd. (vi) Shanghai Turbo Enterprises Limited (vii) Lifebrandz Ltd. (viii) Derong Real Estate Holdings Pte. Ltd. (ix) Dynamic Real Estate Holdings Pte. Ltd. (x) Combine Will International Holdings Limited (xi) Debao Property Development Ltd	Nil
Other Present Directorships	(i) Dukang Distillers Holdings Limited (ii) mm2 Asia Ltd. (iii) CDW Holding Limited	(i) EBA (Beijing) Real Estate Investment Consultancy Co., Ltd. (ii) EBA (Beijing) Investment Management Co., Ltd. (iii) EBA (Beijing) Asset Management Co., Ltd. (iv) Ment Capital Pte. Ltd.
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

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.

* The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

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YING LI INTERNATIONAL REAL ESTATE LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 199106356W)

IMPORTANT:

1. Alternative arrangements relating to, amongst others, attendance, submission of questions in advance and voting by proxy at the AGM are set out in the Company's announcement dated 14 April 2021 which, together with the Notice of Annual General Meeting dated 14 April 2021, have been uploaded on SGXNET on the same day. The announcement and the Notice of Annual General Meeting can also be accessed at the Company's corporate website (www.yinglij.com).
2. A member will not be able to attend the AGM in person. Please see Note 2 below for further details.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

This Proxy Form has been made available on the home page of the Company's corporate website (<http://www.yinglij.com/>) and SGXNET. A printed copy of this Proxy Form will not be despatched to members of the Company.

I/We,* _____ (Name), NRIC / Passport number* _____
of _____ (Address)

being a member/members of Ying Li International Real Estate Limited (the "**Company**"), hereby appoint the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company, to be held by electronic means on Thursday, 29 April 2021 at 9.30 a.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the Notice of Annual General Meeting dated 14 April 2021 in accordance with my/our directions as indicated hereunder.

No.	Ordinary Resolutions relating to:	For ⁽¹⁾	Against ⁽¹⁾	Abstain ⁽¹⁾
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020			
2	Re-election of Mr Chia Seng Hee as a Director			
3	Re-election of Dr Yang Haishan as a Director			
4	Vacation of, and resolution not to fill, Mr Hu Bing's office as a Director			
5	Approval of Directors' fees amounting to S\$430,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears			
6	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors			
7	Share Issue Mandate			

* Delete as appropriate

- (1) Voting will be conducted by poll. If you wish the Chairman of the Meeting, as your proxy, to cast all your votes for or against a Resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a Resolution, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares in the capital of the Company ("Shares") that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.

Dated this _____ day of April 2021

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES 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, Chapter 289 of Singapore), 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 Proxy Form shall be deemed to relate to all the Shares held by you.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and the COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and members of the Company will NOT be allowed to attend the AGM in person.
3. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted:
 - (a) by depositing a physical copy at the registered office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) by sending a scanned PDF copy by email to main@zicoholdings.com, in each case, no later than 9.30 a.m. on 27 April 2021, and failing which, this Proxy Form will not be treated as valid.
6. This Proxy Form shall be in writing and 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 its officer or attorney duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney 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.
7. 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 with respect to the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

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Postage
Stamp**

YING LI INTERNATIONAL REAL ESTATE LIMITED

c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Fold Here

8. A member of the Company who holds his/her Shares through a Relevant Intermediary* (including CPFIS Members or SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her CPF Agent Bank or SRS Approved Bank) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 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, Chapter 289 of Singapore and who holds Shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 Central Provident Fund Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By submitting a Proxy Form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2021.

General:

The Company shall be entitled to reject this 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 this Proxy Form. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

英利国际

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