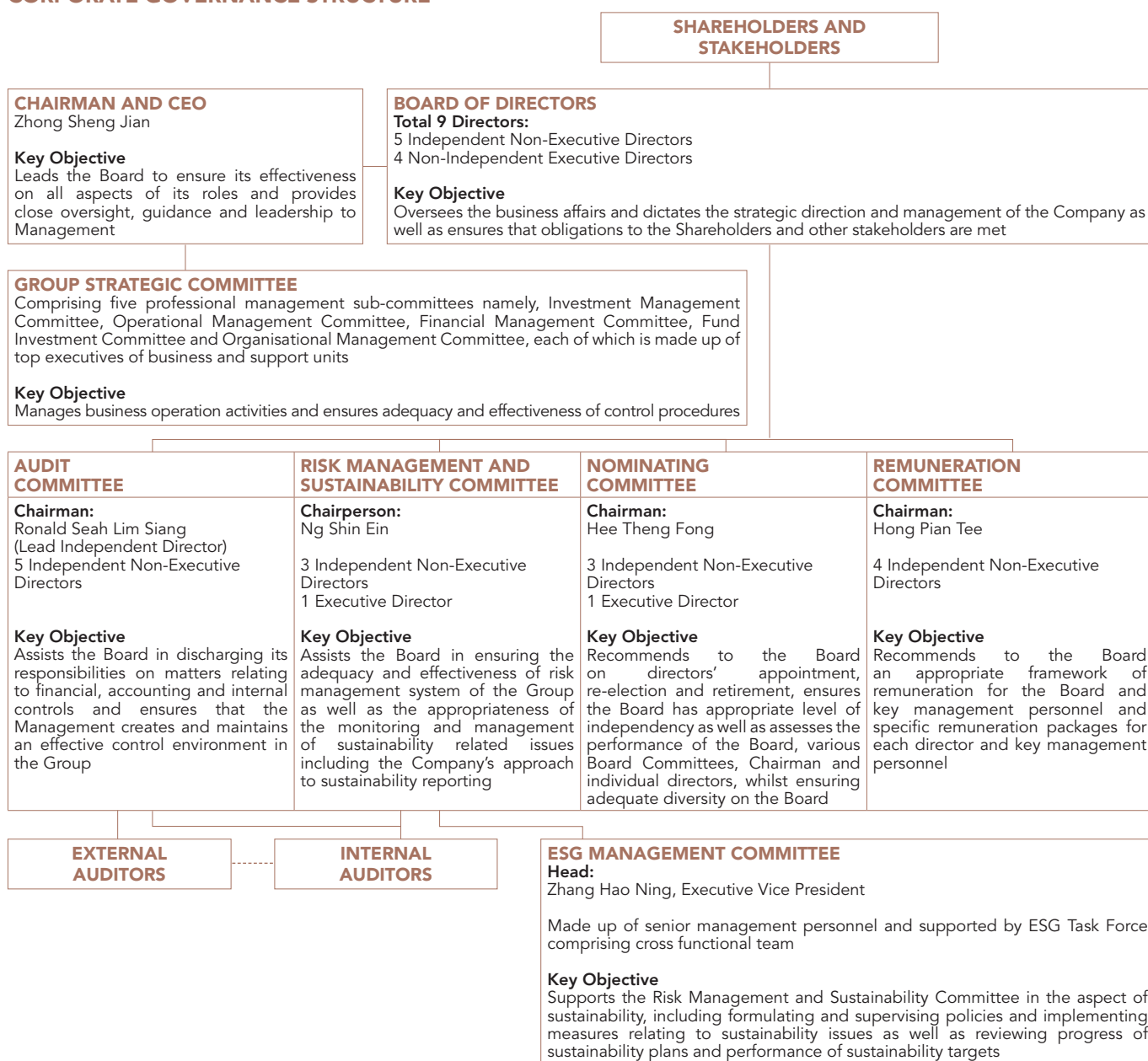


# CORPORATE GOVERNANCE

Yanlord Land Group Limited (“Company” and together with its subsidiaries, “Group”) is committed to achieving high standards of corporate governance to support long-term shareholder value, whilst taking into account the interests of other stakeholders. The board of directors of the Company (“Board”) and management of the Group (“Management”) believe that good corporate governance is key to the integrity of the Group and essential to the sustainability of the Group’s businesses and performance. In line with Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”), this statement outlines the Company’s corporate governance practices with specific reference to the principles and provisions set out in the Code of Corporate Governance 2018 (“Code”). The Company has complied in all material respects with principles and provisions in the Code and variations in any specific areas of the provisions are stated and accordingly explained in this statement.

## CORPORATE GOVERNANCE STRUCTURE



# CORPORATE GOVERNANCE

## BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

*The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

### Roles and Principal Functions of the Board

The Board oversees the business affairs and dictates the strategic direction and management of the Company through reviews of, among others, the financial performance, risk management system and internal controls of the Group as well as succession plan and compensation framework, whilst considering sustainability issues as part of the Group's strategy. All directors objectively discharge their duties and responsibilities at all times as fiduciaries of the Company and act honestly with diligence, and in the best interests of the Company. The Board holds Management accountable for performance of the Group and ensures its obligations to the shareholders of the Company ("Shareholders") and other stakeholders are met. The principal functions of the Board include, among others:

- (a) providing entrepreneurial leadership, setting the Group's corporate and strategic objectives, and monitoring progress (including to ensure that the necessary resources are in place) towards achieving these objectives;
- (b) overseeing and ensuring the adequacy and effectiveness of the Group's risk management system and internal controls (including financial, operational, compliance and information technology controls) framework and standards so as to safeguard the Company's assets;
- (c) ensuring the appropriateness of the monitoring and management of the Group's sustainability related issues and the Company's approach to sustainability reporting; and
- (d) constructively challenging the Management and supervising the overall management and performance of the business and affairs of the Group.

### Conflict of Interest

Directors avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group. In the event of a conflict of interest situation arising in respect of a matter under consideration by the Board and/or any of the Board's committees ("Board Committees"), directors facing conflicts of interest comply with relevant disclosure obligations and recuse themselves from participating in any discussion and decision concerning the matter in issue. Interested person transactions, if any, are reported to the Audit Committee ("AC") and the Board to ensure that such transactions are conducted fairly and on arm's length basis, with terms which are fair and reasonable and are not prejudicial to the interests of the Company and its minority Shareholders. If necessary, Shareholders' approval will also be sought in accordance with the requirements set out in the Listing Manual.

### Training and Development for the Board

A director, upon appointment, will be provided with a formal letter setting out his/her duties and obligations as a director and relevant materials or information on the Group's business and structure, governance practices, sustainability and corporate social initiatives as well as the Board and Board Committees including terms of reference of various Board Committees are enclosing therewith to facilitate the new director's understanding. Newly appointed director is also required to sign the prescribed undertaking to use his/her best endeavours to comply with the requirements of the Listing Manual. A formal letter and relevant materials were furnished to the newly-appointed executive director, Zhong Iek Ka, upon his appointment in June 2020 and being a first-time director of a listed issuer, he has undergone training on the roles and responsibilities of a director of a listed issuer as prescribed by the Singapore Exchange. The directors visit the development sites of the Group and meet the local management team as and when necessary.

# CORPORATE GOVERNANCE

The directors have also been provided with further explanation and information on any aspect of the Group's operation or business issues from Management at Board meetings or as and when so requested by the directors and receive relevant briefings and updates, particularly on relevant new laws and regulations including any key changes made to any financial reporting standards, and changing commercial risks, from time to time. To ensure directors can fulfil their obligations and to continually improve the performance of the Board, directors are encouraged to undergo training sessions, conferences, workshops and/or seminars conducted by external organisations and the Company shall be responsible for funding for any such training or development programmes. In 2020, the Company has arranged for directors to attend "SID Annual Corporate Governance Roundup 2020" and "SID Directors Virtual Conference" organised by Singapore Institute of Directors, and the relevant fees are borne by the Company.

## Matters Requiring Board Approval

The Board approves significant corporate matters including matters in relation to financing, investments and divestments, major undertakings, annual budget, financial results, dividend payout, issuances of securities, change of composition of Board and/or Board Committees, sustainability and all matters or transactions requiring the Board's deliberation or decision such as interested persons transactions, share buyback, etc. The matters which are specifically decided on and approved by the Board are duly recorded and communicated to the Management. Financial authorisation and approval limits are established for the day-to-day transactions to facilitate operational efficiency.

## Delegation of Authority to Board Committees

The Board understands its accountability to the Shareholders for the Group's performance, and Management understands its role and is accountable to the Board. To facilitate effective management, certain functions of the Board have been delegated, without abdicating the responsibility of the Board, to various Board Committees namely, the AC, the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Risk Management and Sustainability Committee ("RMSC") (previously known as Risk Management Committee ("RMC")). Each of the Board Committees reviews and makes decisions on matters within their respective written terms of reference and reports to the Board with their decisions or recommendations.

## Meetings of Board and Board Committees

To facilitate meaningful participation, the schedule of meetings of the Board and Board Committees for the next calendar year is planned well in advance in consultation with the directors. *Ad hoc* meetings of the Board and Board Committees may be convened, if warranted by circumstances. The Company's Constitution are sufficiently flexible to allow a director to participate at a meeting via conference telephone, video conferencing, audio visual, or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Directors are provided with relevant meeting materials prior to the meeting(s) and any director who is unable to attend the meeting(s) of the Board or of the Board Committees may raise his/her views on the agenda to the Board or the Board Committees separately. The Board and Board Committees may also make decisions by way of circulating resolutions in lieu of a meeting. In the course of the financial year under review, the Company adopted half-yearly reporting approach for its unaudited financial results and the meetings' schedule has been adjusted accordingly. The details of the number of meetings held and attended by each of the members of the Board and Board Committees are set out below:

# CORPORATE GOVERNANCE

Director	Board Meeting		AC Meeting		NC Meeting		RC Meeting		RMC Meeting	
	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance
Zhong Sheng Jian	2	2	—	—	1	1	—	—	1	1
Zhong Siliang	2	2	—	—	—	—	—	—	—	—
Chan Yiu Ling <sup>1</sup>	1	1	—	—	—	—	—	—	—	—
Zhong Ming	2	2	—	—	—	—	—	—	—	—
Zhong Iek Ka <sup>2</sup>	1	1	—	—	—	—	—	—	—	—
Ronald Seah Lim Siang	2	2	2	2	1	1	1	1	—	—
Ng Shin Ein	2	1	2	1	—	—	1	1	1	1
Hee Theng Fong <sup>3</sup>	2	2	1	1	1	1	—	—	1	1
Hong Pian Tee	2	2	2	2	—	—	1	1	1	1
Teo Ser Luck <sup>4</sup>	1	1	1	1	—	—	—	—	—	—

## Notes:

- <sup>1</sup> Chan Yiu Ling stepped down from the Board as an executive director at the conclusion of the Annual General Meeting of the Company ("AGM") held on June 29, 2020.
  - <sup>2</sup> Zhong Iek Ka was appointed as an executive director on June 29, 2020.
  - <sup>3</sup> Hee Theng Fong was appointed as a member of the AC on February 26, 2020.
  - <sup>4</sup> Teo Ser Luck was appointed as an independent non-executive director, a member of the AC, a member of the NC and a member of the RC on February 26, 2020.
- \* Reflects the number of meetings held while each director was in office.
- Indicates that the director was not a member of that committee during the financial year under review.

## Access to Information

Management ensures that the Board will be provided with complete, adequate and timely information, in order for the directors to discharge their duties efficiently and effectively. In line with the Group's commitment to the conservation of the environment, the Board and Board Committees are no longer provided with printed copy of meeting papers. Instead, documents including financial results together with press releases, other relevant reports/papers on proposed dividend, pre-sales, debts structure, financial covenants and budget variance, as well as relevant background information and documents relating to items of business to be discussed at Board and/or Board Committees' meetings such as internal audit progress reports, sustainability reports, disclosure of directors' interests, any financing activities or corporate actions and interested person transactions memorandum(s), and etc. are uploaded to a secure electronic portal prior to the scheduled meetings for the directors' viewing, consideration and discussion. Despite the Company has adopted half-yearly reporting approach for its unaudited financial results, the directors are provided with updates on the pre-sale proceeds and internal audit progress reports on a quarterly basis. The directors are also provided with relevant key updates on the Group's business plan and strategy, latest market developments and industry trends. Relevant information on material events or transactions are provided to the directors as and when they arise. Annual budget together with budget variance reports are provided on a yearly basis. Directors are entitled to request from Management and be provided with such additional information as needed to make informed and timely decisions.

# CORPORATE GOVERNANCE

## Access to Management, Company Secretary and Professional Advice

The Chairman of the Board (“Chairman”) and Chief Executive Officer (“CEO”), the Group Financial Controller, the internal and external auditors and the company secretary are available to address any queries that the directors may have at the meetings and as and when necessary. The Board has separate and independent access to Management and/or the company secretary through face-to-face meetings, electronic mail, telephone, video conference or by other means of communication application as and when required.

The company secretary attends all meetings of the Board and Board Committees. In addition to advising the Board on corporate and administrative matters as well as facilitating orientation and assisting with professional development of the directors as required, the role of the company secretary includes responsibility for ensuring that Board procedures are followed, applicable rules and regulations are complied with and assisting the Board in implementing and strengthening the corporate governance practices and processes. Under the direction of the Chairman and CEO, the company secretary also ensures good information flows within the Board and Board Committees and between the Management and independent non-executive directors. The appointment and removal of the company secretary should be a matter for the Board as a whole.

The directors may (whether individually or as a group), in the furtherance of their duties, take independent professional advice (e.g., auditors and lawyers), if necessary, at the Company’s expense.

## Principle 2: Board Composition and Guidance

*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.*

### Structure of the Board

The Board comprises the following nine members, of whom five are independent non-executive and four are non-independent executive:

1.	Zhong Sheng Jian	Chairman and Chief Executive Officer
2.	Zhong Siliang	Executive Director
3.	Zhong Ming	Executive Director
4.	Zhong Iek Ka	Executive Director (appointed on June 29, 2020)
5.	Ronald Seah Lim Siang	Lead Independent Director
6.	Ng Shin Ein	Independent Non-Executive Director
7.	Hee Theng Fong	Independent Non-Executive Director
8.	Hong Pian Tee	Independent Non-Executive Director
9.	Teo Ser Luck	Independent Non-Executive Director

### Independence of Directors

The Board determines, at the recommendation of the NC, the independence of each director, taking into account, *inter alia*, the criteria and circumstances set out in the Listing Manual, the Code and the complementary practice guidance (“Practice Guidance”) on an annual basis, and as and when circumstances require. Such criteria or circumstances include the employment of a director by the Company or any of its related corporations during the financial year in question or in any of the past three financial years; the employment of immediate family member of a director by the Company or any of its related corporations in any of the past three financial years and whose remuneration is determined by the RC; the provision or receipt of significant payments or material services, other than compensation for board service, by a director (or any of his/her immediate family member) to or from the Company or any of its subsidiaries during the financial year in question or immediate past financial year; a director being related to any organisation to which the Company or any of its

# CORPORATE GOVERNANCE

subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or immediate past financial year; a director being directly associated with a substantial shareholder of the Company during the financial year in question or immediate past financial year; and any relationship(s) with the Company, its related corporations, its substantial shareholders or its officers which could interfere, or be reasonably perceived to interfere, with the exercise of a director's independent business judgement in the best interests of the Company. Independence questionnaire setting out these criteria or circumstances is uploaded in the secure electronic portal for each director's endorsement, where the independent non-executive director is further required to notify whether he/she has served the Board beyond nine years from the date of his/her first appointment as a director of the Company and confirm his/her independence despite the period of years had been served on the Board. The directors shall notify the Company in writing promptly, should there be any changes as and when it arises. Ronald Seah Lim Siang, Ng Shin Ein, Hee Theng Fong, Hong Pian Tee and Teo Ser Luck confirmed that none of the above criteria or circumstances are applicable to them. Ronald Seah Lim Siang and Ng Shin Ein further confirmed on their independence despite they have served on the Board beyond nine years.

## **Independent Non-Executive Directors who have served beyond Nine Years**

The NC and the Board note that prior to the impending Rule 210(5)(d)(iii) of the Listing Manual in respect of the 9-year tenure for independent directors comes into effect on January 1, 2022, the need to conduct rigorous review on the independence of each independent non-executive director who has served on the Board beyond nine years from the date of his/her first appointment. A rigorous peer review was conducted in addition to reviewing the independence questionnaire endorsed by Ronald Seah Lim Siang and Ng Shin Ein to assess whether each of them expressed his/her individual viewpoints and continued to demonstrate strong independence in character and judgment in the discharge of his/her responsibilities as an independent non-executive director of the Company. The rigorous peer review also assessed whether the abovenamed two independent non-executive directors have objectively and constructively raised issues during meetings of the Board and of the Board Committees and whether they remained active in the discussions over issues concerning the Group and sought clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities and whether the Company has benefited from their years of experience in their respective fields of expertise. Each of the abovenamed two independent non-executive directors has abstained from assessing and determining his/her own independence in relevant reviews. Taking into consideration the complexity of doing business in the People's Republic of China ("PRC") and that the abovenamed two independent non-executive directors have continued to demonstrate strong independence in character and judgment in the discharge of their responsibilities as an independent non-executive director of the Company and that they have objectively and constructively raised issues and sought clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities whether on Board or on the Board Committees and that the Company has also benefited from their years of experience in their respective fields of expertise, the NC and the Board are of the view that the abovenamed two independent non-executive directors who have served the Board beyond nine years from the respective date of their first appointments remain independent.

Taking into consideration the requirements of the Listing Manual, the Code and the Practice Guidance, and based on each director's endorsement to the independence questionnaire, results of the yearly assessment on the effectiveness of the Board and that of each Board Committee as well as contribution by each individual director and the peer review, the NC and the Board determined that Ronald Seah Lim Siang, Ng Shin Ein, Hee Theng Fong, Hong Pian Tee and Teo Ser Luck are independent directors. The NC and Board are also of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgment on the corporate affairs of the Group and encourage unbiased decision making aligned with the Shareholders' interests, with independent non-executive directors making up a majority of the Board. There is also an appropriate balance of power and authority within the various Board Committees chaired by independent non-executive directors.

# CORPORATE GOVERNANCE

## Succession of the Board

The Company believes that a balance of directors on the Board with long and short tenures allows the Board to benefit from senior directors' knowledge continuity whilst mitigating the risk of groupthink or uncritical conformity and loss of independence through introduction of new directors. Adhered to this belief, the NC and Board note the need for succession and progressive renewal of the Board, and review the size and composition of the Board and Board Committees on an annual basis and as and when circumstances require. Taking into consideration the impending Rule 210(5)(d)(iii) of the Listing Manual in respect of the 9-year tenure for independent directors to be effective from January 1, 2022, and in conformity with the belief, the NC and Board have since then assessed the structure and composition of the Board and Board Committees and have set a plan to progressively renew the Board and Board Committees, as appropriate, subject to the prevailing conditions and needs of the Board.

Ronald Seah Lim Siang and Ng Shin Ein, both independent non-executive directors who have served the Board beyond nine years, will be retiring by rotation under Regulation 89 of the Company's Constitution at the conclusion of the AGM to be held on April 29, 2021 ("2021 AGM"). In support of the Board's progressive renewal in line with the above belief, both of them have decided not to seek re-election and will be stepping down from the Board at the conclusion of the 2021 AGM. The NC has started the selection process of new directors to fill up the vacancies of Ronald Seah Lim Siang and Ng Shin Ein, and shall consider two candidates who are able to meet the independence criteria or circumstances and possess the requisite competencies to assume the responsibilities as independent non-executive directors whilst providing adequate diversity to the Board. The NC shall also consider if the candidates shall assume the roles of Ronald Seah Lim Siang and Ng Shin Ein in respective Board Committees or if there is a need to change the composition of the Board Committees, to ensure various Board Committees remain effective and functioning. Relevant information including qualification, expertise, credentials, independence confirmation, interests' disclosure as well as current and past directorships and chairmanships of the candidates will be provided to the NC for consideration, and if the NC satisfies that the candidates meet with the appointment criteria, to recommend to the Board for approval. Upon approval, the Company shall announce the appointments according to the requirements of the Listing Manual.

## Non-Executive Directors

To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, five independent non-executive directors make up a majority of the Board. They constructively challenge and comment on proposals on strategies; and review the performance of Management in meeting goals and monitor the reporting of performance.

## Board Composition, Size and Diversity

The Company recognises and embraces the importance and benefits of having a Board and Board Committees of appropriate size and comprise directors who as a group provide an appropriate balance and diversity of various aspects. The Company also believes that diversity is an important attribute of a well-functioning and effective Board as a diverse Board provides multiple perspectives, enhances decision-makings, avoids groupthink or uncritical conformity and fosters constructive debate, and accordingly, has in place a board diversity policy (which is also being made available on the Company's website at <http://www.yanlordland.com/corporate-governance/>) to promoting adequate diversity on the Board. In particular, the Company values the Board with diversity of skillset and experiences, business background and industry knowledge, international experiences, age, gender, tenure and independence.

The incumbent Board comprises directors with diversity of skillset and experiences in various fields of expertise that provides core competencies such as finance and accounting, technology, legal, business and management, investment banking, risk management and marketing have brought well-balanced resources and skills that support the duty of the Board for corporate performance monitoring and provided strategic and effective oversight of the business of the Group. The Board is also comprised of directors with different business background and industry knowledge such as property development, financials, information technology and retail, which provided a broad range of insights, perspectives and views to drive better decision-makings in supporting the attainment of the Group's strategic objectives and sustainable

# CORPORATE GOVERNANCE

development. Regional business expertise and strategic networking relationships of directors have also contributed to diversity of thought, experience and market-specific knowledge, allowing effective response to changes by the Board and accessibility into critical markets. In addition to having majority independent non-executive directors, the current Board composition, which is made up of directors with diverse age group and different tenure of office, introduced different perspectives to the Board, allowed the Board to benefit from senior directors' knowledge continuity and enabled broaden debates within the Board, while reducing the risk of groupthink and ensuring the Board's decisions or strategy to stay relevant in the market. The Board currently comprising one female director in recognition of the importance and value of gender diversity.

When considering the selection, appointment and re-appointment of any directors (including reviewing and assessing the size and composition of the Board, determining the independence of directors and evaluating effectiveness of the Board and that of each Board Committee as well as contribution by each individual director), in addition to complying with the Listing Manual and relevant provisions of the Code and the Company's Constitution, as appropriate, the NC and the Board take into consideration the diversity aspects so as to promote and achieve adequate diversity on the Board which has also been the objective of the Company, whilst the scope and nature of operations of the Group, the requirements of the business, the need for succession and progressive refreshing of Board and the need to avoid undue disruptions from unnecessary changes to the composition of the Board and Board Committees are also taken into consideration. The final decision on selection of new directors shall be based on merit against the objective criteria set out in the board diversity policy and after giving due regard to the overall balance and effectiveness of a diverse Board. The NC and Board are of a view that the current size and composition of the Board and Board Committees are appropriate, effective and provide adequate diversity and independence to the Board, and are conducive to efficient and effective discussion and decision making as the current size and composition of the Board is appropriate for meaningful individual participation by each director with diverse professional perspective. The NC monitors implementation of the board diversity policy and reports to the Board annually on the Board's composition in terms of diversity and progress made in achieving the objectives set for promoting diversity as described therein, as appropriate.

## **Meetings of Non-Executive Directors and/or Independent Non-Executive Directors**

During the year, the independent non-executive directors on board, led by the lead independent director, met separately with internal and external auditors to discuss matters pertaining to the Group, without the presence of Management and the executive directors to facilitate a more effective check on the Group. No significant issues were raised in such meetings.

## **Principle 3: Chairman and Chief Executive Officer**

*There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Zhong Sheng Jian currently assumes the roles of Chairman and CEO of the Company. While there is no division of responsibilities between the Chairman and the CEO, the Board has a lead independent director in line with the recommendation of provision 3.3 of the Code. The Company has not adopted the recommendation in provision 3.1 of the Code to have separate persons appointed as the Chairman and the CEO as the Company believes that vesting the roles of both the Chairman and the CEO in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Zhong Sheng Jian's extensive industrial experience and significant role in the historical development of the Group, it is beneficial to the business prospects of the Group that Zhong Sheng Jian continues to act as both the Chairman and CEO. In addition, the balance of power and authority is sufficiently maintained by the operation of the Board, comprising executive directors and independent non-executive directors, in ensuring a degree of checks and balance. Consistent with the intent of Principle 3 of the Code, the Board is able to exercise objective judgement independently from Management and no individual or small group of individuals dominates the decision of the Board.



# CORPORATE GOVERNANCE

## Roles and Responsibilities of Chairman and CEO

The Chairman and CEO, *inter alia*, leads the Board to ensure its effectiveness on all aspects of its roles and provides close oversight, guidance and leadership to Management. He is responsible for, among others, exercising control over the quality, quantity and timeliness of the flow of information within the Board and between the Board and the Management. He plays a key role in fostering constructive dialogue between the Board and Management, the Shareholders and other stakeholders and encourages constructive relations within the Board and between the Board and Management. He also takes a leading role in the Group's drive to achieve and maintain high standards of corporate governance practices within the Group with full support of the directors, company secretary and Management. The Chairman and CEO, with the assistance of the company secretary, also schedules meetings and sets meeting agenda and ensures sufficient allocation of time for thorough discussion of each agenda item, in particular of strategic issues. He promotes an open environment for discussion at the meetings of the Board and of the Board Committees so as to ensure meaningful participation and effective contribution by each director and attendee.

## Lead Independent Director

Pursuant to the recommendation in the Code, the Company appointed Ronald Seah Lim Siang as its lead independent director to, *inter alia*, provide leadership in situations where the Chairman is conflicted. The lead independent director coordinates the activities of independent non-executive directors and plays an additional facilitative role within the Board, and where necessary, provides feedback to the Chairman and CEO for any relevant issues to be further addressed by the Group. He is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and CEO or Management are inappropriate or inadequate. Any concerns of Shareholders, if received by the Company, to the attention of the lead independent director shall be forwarded to him accordingly. One of the independent non-executive directors will be appointed (and an announcement will be made accordingly in due course) to assume the role of lead independent director in place of Ronald Seah Lim Siang who will be retiring by rotation and stepping down from the Board at the conclusion of the 2021 AGM.

## Principle 4: Board Membership

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the board.*

## Nominating Committee

The NC currently comprises four members, three of whom, including its chairman, are independent non-executive directors. The chairman of the NC is Hee Theng Fong and the other members are Zhong Sheng Jian, Ronald Seah Lim Siang, the lead independent director, and Teo Ser Luck. The NC is guided by its written terms of reference which set out its authority and responsibilities. The NC's key terms of reference include:

- (a) reviewing and recommending the selection, nomination and re-nomination of directors (including alternate directors, if any) having regard to the composition and progressive renewal of the Board, as well as each director's competencies, commitment, contribution and performance;
- (b) determining annually, and as and when circumstances require, if a director is independent;
- (c) developing a process and objective criteria for evaluation of the performance of the Board, each Board Committee, the Chairman and CEO and individual directors;
- (d) assessing the effectiveness of the Board as a whole, and of each Board Committee as well as contribution by the Chairman and CEO and each individual director to the Board; and
- (e) reviewing training and professional development programmes for the Board and its directors.

# CORPORATE GOVERNANCE

## Selection, Appointment and Re-appointment of Directors

The NC will first consider the needs of the Board before considering the selection of candidates and a new director shall be appointed by the Board after taking into consideration the recommendation made by the NC. Selection of candidates to be considered for appointment as directors may be facilitated, *inter alia*, through recommendations from reliable sources. The NC, in considering the appointment and re-appointment of any director, evaluates the criteria of the new directors and performance of the existing directors. The assessment parameters for the new directors include integrity, independence, expertise and diversity. New directors will have to make a declaration as to their interests in and/or independence from the Company. The assessment parameters for the existing directors include attendance records at meetings, intensity of participation at meetings and the quality of interventions.

The Company's Constitution requires new directors appointed during the year to hold office only until the next AGM and shall then be eligible for re-election at such AGM. In this respect, any director to be appointed by the Board during the year of 2021 shall hold office until the next AGM to be held in 2022 and then be eligible for re-election under Regulation 88 of the Company's Constitution. Other than the Listing Manual requirements that all directors must submit themselves for re-nomination and re-appointment at least once every three years, the Company's Constitution also requires one-third of the Board for the time being (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) to retire by rotation at every AGM; provided always that all directors shall retire at least once every three years. On an annual basis, the NC reviews and makes recommendation on the list of directors who are subject to retire by rotation and whether the composition of the Board shall remain unchanged or new directors shall be recommended in place of the existing directors (as and when such need arises) taking into consideration, among others, each director's independency, tenure of service, competencies, commitment, contribution and performance as well as the progress being made in achieving the objectives set for promoting adequate diversity on Board. Such recommendations will then be submitted to the Board for Board's consideration and approval.

At the 2021 AGM, Zhong Sheng Jian, Ronald Seah Lim Siang and Ng Shin Ein will be retiring by rotation under Regulation 89 of the Company's Constitution, and Zhong lek Ka will cease to hold office pursuant to Regulation 88 of the Constitution of the Company. Zhong Sheng Jian and Zhong lek Ka have respectively expressed their stand to seek for re-election at the 2021 AGM. In support of the Board's progressive renewal, Ronald Seah Lim Siang and Ng Shin Ein, both being on the Board for more than nine years, have decided not to seek for re-election and they will step down from the Board as independent non-executive directors at the conclusion of the 2021 AGM. Accordingly, Ronald Seah Lim Siang will cease to be the lead independent director, the chairman of the AC, a member of the NC and a member of the RC; whereas Ng Shin Ein will cease to be the chairperson of the RMSC, a member of the AC and a member of the RC, at the conclusion of the 2021 AGM.

## Assessment of Independence

The NC is tasked to review, evaluate and determine the independence of each director on an annual basis, having regard to the criteria and circumstances set out in the Listing Manual, the Code and the Practice Guidance. None of the criteria and circumstances are applicable to the incumbent independent non-executive directors and each of them does not have a relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence or that will otherwise deem such independent non-executive director not to be independent.

## Multiple Board Representations

The NC and Board determine on an annual basis whether a director with other directorships (listed company board representations) and/or principal commitments is able to and has been diligently, adequately and effectively carrying out his/her duties as a director of the Company, and whether sufficient time and attention have been given by these directors to the affairs of the Company. Taking into consideration the results of annual assessment of the Board, Board Committees, Chairman and individual directors as well as the attendance records at the meetings of the Board, Board Committees and Shareholders, the ability to make timely decision when dealing with businesses that had been presented to each director and the number of board representations in other listed entities and principal commitments of each director, the NC and

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Board are of the view that although some of the directors have multiple directorships and other principal commitments, such directorships and principal commitments do not hinder them from carrying out their duties as directors and these directors are able to give sufficient time and attention to the affairs of the Company. Instead, these directors' participation in other listed entities have widened the experience of the Board and given it a broader perspective. The NC and Board recognise that the individual circumstances and capacity of each director are different, no maximum number of other directorships and other principal commitments which any director may hold was set during the financial year under review. The NC shall make recommendation to the Board for the Board to consider adopting the recommendation of the Practice Guidance to establish guidelines on what a reasonable and maximum number of directorships and other principal commitments for each director should be as and when necessary in due course.

## **Alternate Director**

No alternate director has been appointed to the Board in the financial year under review and the Company does not have any alternate director.

## **Key Information on Directors**

Key information regarding the directors including their background information, listed company directorships and principal commitments and shareholdings (direct and indirect) are set out in this Annual Report ("2020 Annual Report") under the heading entitled "Board of Directors" and "Directors' Statement".

## **Principle 5: Board Performance**

*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

The Company believes that excellent board performance enhances long-term stakeholders' value as the board performance is ultimately reflected in the long-term performance of the Group. The Company has in place a system to assess the effectiveness of the Board as a whole, that of each of the Board Committees as well as the contribution by the Chairman and CEO and each individual director to the Board on an annual basis ("Performance Assessment"). The Company did not engage external facilitator in the Performance Assessment for the financial year under review.

## **Criteria and Process for Assessment on Board and Chairman**

In carrying out the Performance Assessment, the NC and Board take into consideration the views of each individual director. Each director is required to answer the questionnaires uploaded in the secure electronic portal setting out relevant performance criteria which were approved by the Board for his/her views on the performance of the Board, each of the Board Committees and Chairman based on criteria in various aspects. The performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, such changes shall be reviewed and approved by the Board. The criteria of assessment for the Board includes structure and composition, conduct of meetings, corporate strategy and planning, risk management and internal controls, Company's performance, compensation, communication with Shareholders and engagement with stakeholders while the criteria of assessment for each Board Committee focus on its structure and composition, duties and responsibilities, conduct of meetings and functionality. These sets of performance criteria remain the same as that of adopted for the financial year ended December 31, 2019 ("FY2019"). The Company's performance relative to the industry trend is reviewed by the Board taking into consideration of any significant trends and competitive conditions of the industry in which the Group operates. When assessing the overall performance of the Board, the NC and Board also take into account the directors' number of listed company board representations and other principal commitments as defined in the Code to determine if a director is able to and has been adequately carrying out his/ her duties as a director of the Company. The contribution of the Chairman and CEO is assessed taking into consideration the role of

# CORPORATE GOVERNANCE

Chairman as prescribed by the relevant Practice Guidance. Each director abstained from participating in the assessment of Board Committee which he/she is seated in (if applicable) and the Chairman and CEO abstained from participating in his own assessment. The results of the completed questionnaires are compiled into a summary report and the same is tabled for review by the NC and circulated to the Board for consideration. The Board, having satisfied with its effectiveness, will resolve whether to retain the current composition of the Board taking into consideration, among others, adequate diversity of the Board, each director's independency, competencies, commitment, contribution and performance.

## Criteria and Process for Assessment on Individual Directors

The NC also assessed the contribution by individual directors to the Board on an annual basis based on factors such as the director's attendance record at the meetings of Board and Board Committees, intensity of participation at meetings and the quality of interventions. This set of performance criteria remains unchanged as that adopted for individual directors' assessment for FY2019. Recommendation in respect of the contribution of individual directors to the effectiveness of the Board will be made to the Board.

The Performance Assessment helps to measure the continuous performance of the Board and Board Committees and enhance long-term stakeholders' value. The Chairman and CEO shall act on the results of the Performance Assessment, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board, or seek the resignation of directors. Based on the results of Performance Assessment conducted for the financial year under review, the NC and the Board are of the view that the Board as a whole and each of the Board Committees operates effectively, and each director including the Chairman and CEO has contributed to the overall effectiveness of the Board.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

### Remuneration Committee

The RC comprises four members, all of whom, including its chairman, are independent non-executive directors. The chairman of the RC is Hong Pian Tee and the other three members are Ronald Seah Lim Siang, Ng Shin Ein and Teo Ser Luck.

The RC is guided by its written terms of reference which set out its authority and responsibilities. The key terms of reference of the RC are:

- (a) recommending to the Board, a framework of remuneration for the Board and key management personnel and reviewing the specific remuneration packages for each director and key management personnel; and
- (b) considering all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms, as applicable, of the directors and key management personnel, which should aim to be fair and avoid rewarding poor performance.

The recommendations of the RC are submitted for endorsement by the Board. No directors nor members of the RC has been involved in deciding his/her own remuneration package or that of employees related to him/her, if any.

# CORPORATE GOVERNANCE

## Termination Terms

The RC had reviewed the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service and opined that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

## Access to Expert Advice

Subject to the review of the Board, the RC has explicit authority within its written terms of reference to obtain outside or other independent professional advice as it considers necessary to carry out its duties. Should the RC seek expert advice inside and/or outside the Company on remuneration of all directors, the RC should ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. During the financial year under review, the RC has not engaged any consultant to advise on remuneration matters.

## Principle 7: Level and Mix of Remuneration

*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.*

## Remuneration Framework

To attract, retain and motivate directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term, appropriate remuneration packages are offered to the executive directors and key management personnel. These remuneration packages are offered based on established framework and reviewed annually by the RC.

## Performance-Linked Remuneration of Executive Directors and Key Management Personnel

The total remuneration mix for the Chairman and CEO, executive directors and top five key management personnel (who are not directors or the CEO) of the Group comprises three key components namely, salary, annual performance incentive and other benefits including benefits in kind. An appropriate proportion of executive directors' and key management personnel's remuneration is structured to link rewards to corporate and individual performance. Such performance-related remuneration which is also tied to the Group and the respective business unit's annual target is aligned with the interests of Shareholders and other stakeholders and promotes the long-term success of the Group. Performance conditions to which entitlement to such incentives are met include benchmarking performance to business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Company's financial performance *vis-à-vis* industry performance. The extent to which the performance conditions have been met was taken into account in determining the actual quantum of variable component of remuneration.

## Fees to Independent Non-Executive Directors

Save for directors' fees, which have to be approved by the Shareholders at every AGM, the independent non-executive directors do not receive any other remuneration from the Company. On an annual basis, the RC and the Board review the fees of the independent non-executive directors of the Company benchmarking with the fees offered by the other industry peers. Subject to the approval of the Shareholders at the 2021 AGM, it is proposed for each of the independent non-executive directors be paid an annual director's fee of S\$100,000 for his/her full term of service rendered for the

# CORPORATE GOVERNANCE

financial year ended December 31, 2020 ("FY2020"), except for Teo Ser Luck whose fee will be paid in proportion to his service period during FY2020. The RC and Board are of the view that the directors' fees proposed for FY2020, in a similar quantum paid to each of the independent non-executive directors (save for Teo Ser Luck who was appointed in February 2020) for FY2019, are fair, adequate and comparable to the other industry peers in the market and appropriate to the level of contribution of the independent non-executive directors. The Company does not have any share-based compensation scheme or long-term scheme involving the offer of shares in place during the financial year under review.

## **Contractual Provisions**

The Company does not make use of contractual provisions to allow it to reclaim incentive components of remuneration paid to its executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company having considered that performance incentives are determined subject to performance of the Company and of the individuals from time to time and the Company has the discretion not to award such incentive components and further that the Company does not have any long-term incentive scheme in the variable components of the remuneration packages of the executive directors and key management personnel. The executive directors also owe a fiduciary duty to the Company and the Company should be able to avail itself of the relevant remedies at law against the executive directors in the event of such breach of fiduciary duties. However, the Company will consider adopting such contractual provisions, as and when appropriate.

## **Principle 8: Disclosure on Remuneration**

*The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

The Company believes that a fair and reasonable remuneration framework which is linked to a formal and transparent assessment of performance and value creation are key factors in managing its human resources, which in turn is an important asset in creating long-term value to the Group. While the Group's performance in terms of financial results is one of the key criteria in assessing the effectiveness of the Board as well as the performance of the key management personnel, key management personnel are also assessed on the performance of the respective business unit and contracted sales of projects manned by them. Notably, to align with shareholders' interests, a significant portion of the remuneration of the Chairman and CEO is tied to the profit attributable to owners of the Company as disclosed in the audited financial statements of the Company for each financial year. Having considered the above criteria that is designed to drive corporate performance and create long-term value as well as the relevant comparative remuneration of industry peers, the remuneration packages in particular annual performance incentives are proposed for review by the RC and subsequent approval by the Board before offered to the executive directors and key management personnel.

Taking into consideration the competitive human resource environment which is especially pronounced in the Group's segment of property market in the PRC and accordingly the remuneration of the Chairman and CEO together with the other directors of the Company be disclosed in this 2020 Annual Report in bands of S\$250,000 instead of disclosing such amounts of remuneration as provided in the Code.

# CORPORATE GOVERNANCE

## 1. Remuneration of Directors

The remuneration (which includes salaries, annual performance incentives, directors' fees and other benefits including benefits in kind, if any) paid or payable to each of the directors for FY2020, in bands of S\$250,000, are as follows:

Remuneration Band	Salary <sup>1</sup>	Annual Performance Incentives	Directors' Fees	Other Benefits including Benefits in Kind	Total
<b>S\$8,000,000 to S\$8,249,999</b>					
Zhong Sheng Jian (Chairman and CEO)	3.35%	96.47%	0.11% <sup>2</sup>	0.07%	100%
<b>S\$500,000 to S\$749,999</b>					
Zhong Siliang	82%	18%	—	—	100%
Zhong Ming	82%	18%	—	—	100%
<b>Below S\$250,000</b>					
Ronald Seah Lim Siang	—	—	100%	—	100%
Ng Shin Ein	—	—	100%	—	100%
Hee Theng Fong	—	—	100%	—	100%
Hong Pian Tee	—	—	100%	—	100%
Teo Ser Luck <sup>3</sup>	—	—	100%	—	100%
Chan Yiu Ling <sup>4</sup>	79%	21%	—	—	100%

### Notes:

- <sup>1</sup> Includes annual wage supplement and employer's contributions to the Singapore Central Provident Fund, Hong Kong Mandatory Provident Fund Schemes and/or the PRC's Central Pension Schemes, where applicable.
- <sup>2</sup> Paid by United Engineers Limited ("UEL") pursuant to its directors' remuneration framework before its delisting in February 2020, following the completion of compulsory acquisition by the Group.
- <sup>3</sup> Teo Ser Luck was appointed as an independent non-executive director, a member of the AC, a member of the NC and a member of the RC on February 26, 2020.
- <sup>4</sup> Chan Yiu Ling stepped down from the Board as an executive director at the conclusion of the AGM held on June 29, 2020.
- <sup>5</sup> Zhong Iek Ka was appointed as an executive director on June 29, 2020, and no remuneration has been paid to him in the financial year under review.

The aggregate remuneration paid or payable to the executive directors namely, Zhong Sheng Jian, Zhong Siliang, Zhong Ming and Chan Yiu Ling who stepped down from the Board as an executive director on June 29, 2020, for FY2020 was S\$9,407,077.

# CORPORATE GOVERNANCE

## 2. Remuneration of the Top Five Key Management Personnel

The remuneration (which includes salaries, annual performance incentives, other fees and other benefits including benefits in kind, if any) paid or payable to each of the following key management personnel (who are not directors or the CEO) for FY2020, in bands of S\$250,000, are as follows:

Remuneration Band	Salary <sup>1</sup>	Annual Performance Incentives	Other Fees	Other Benefits including Benefits in Kind	Total
<b>S\$750,000 to S\$999,999</b>					
Tan Chee Keong, Roy	59%	37%	—	4%	100%
<b>S\$500,000 to S\$749,999</b>					
Zhang Hao Ning	84%	16%	—	—	100%
Zhou Yiqun	80%	20%	—	—	100%
Gao Yongjun	78%	22%	—	—	100%
Wang Hongwei	83%	17%	—	—	100%

**Note:**

<sup>1</sup> Includes annual wage supplement and employer's contributions to the Singapore Central Provident Fund and/or the PRC's Central Pension Schemes, where applicable.

The aggregate remuneration paid or payable to the above top five key management personnel (who are not directors or the CEO) for FY2020 was S\$2,885,996.

## 3. Remuneration of Employees who are Substantial Shareholders of the Company, or are Immediate Family Members (i.e. spouse, child, adopted child, step-child, brother, sister and parent) of a Director, the CEO or a Substantial Shareholder of the Company, and whose Remuneration Exceeds S\$100,000 During the Year

Remuneration Band	Position	Relationship	Salary <sup>1</sup>	Annual Performance Incentives	Other Fees	Other Benefits including Benefits in Kind	Total
<b>S\$300,000 to S\$399,999</b>							
Zheng Xi	Chairman of Nanjing Renyuan Investment Co., Ltd.	Brother of Zhong Sheng Jian, Chairman & CEO	80%	20%	—	—	100%
<b>S\$200,000 to S\$299,999</b>							
Zhong Si Nuo	Assistant to the Chairman & CEO, Zhong Sheng Jian	Daughter of Zhong Sheng Jian, Chairman & CEO, and sister of Zhong Ming and Zhong Iek Ka, both executive directors	86%	14%	—	—	100%



# CORPORATE GOVERNANCE

Remuneration Band	Position	Relationship	Salary <sup>1</sup>	Annual Performance Incentives	Other Fees	Other Benefits including Benefits in Kind	Total
<b>S\$200,000 to S\$299,999</b>							
Zhong Si Li	Assistant General Manager – Wuhan	Brother of Zhong Siliang, an executive director	77%	23%	–	–	100%
Zhong Si Min	Financial Controller – Shanghai	Brother of Zhong Siliang, an executive director	85%	15%	–	–	100%
<b>S\$100,000 to S\$199,999</b>							
Chung Chiu Yan	Chairman of Nanjing Yanlord Enterprise Management Co., Ltd.	Brother of Zhong Sheng Jian, Chairman & CEO	100%	–	–	–	100%

**Note:**

<sup>1</sup> Includes annual wage supplement and employer's contributions to the Singapore Central Provident Fund and/or the PRC's Central Pension Schemes, where applicable.

No termination, retirement and post-employment benefits has been granted to directors, the Chairman and CEO or the top five key management personnel (who are not directors or the CEO) in the financial year under review.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

*The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets. The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business, and is ultimately responsible for the Company's sustainability reporting to ensure that there is appropriate focus on sustainability by Management. Procedures are in place to identify and manage significant business risks and evaluate potential financial effects to the Group.

# CORPORATE GOVERNANCE

## Risk Management and Sustainability Committee

RMSC (previously known as RMC) was renamed to its current name on February 26, 2021 to better reflect the duties and functions of this Committee while reaffirmed the Group's commitment to environmental, social and governance ("ESG"). The Board, with the assistance of the RMSC, reviews the adequacy and effectiveness of the Group's risk management practices and procedures, oversees the Management in the design, implementation and monitoring of the risk management system of the Group, and ensures ESG factors which have been identified as relevant and material to the Group are appropriately monitored and managed. The RMSC assists the Board in overseeing the Group's risk management framework and policies as well as the Group's commitment and efforts towards sustainability, the ESG factors that are material and pertinent to the Group's business and the Company's approach to sustainability reporting. In respect of risk management, the internal auditors report to the RMSC, and the RMSC reports to the Board, on identified risks, impacts of such risk to the Group, corresponding risk management policies and practices as well as status on the findings since last reporting on an annual basis. Management is responsible for the effective implementation of risk management procedures to facilitate the achievement of business plans and goals. Key business risks are proactively identified, addressed and reviewed on an on-going basis. During the financial year under review, the risks identified and reported are in relation to the areas of government policies, financial, liquidity, human resources and information technology. In respect of sustainability, the RMSC oversees the ESG Management Committee, which assists the RMSC to review effectiveness and progress of ESG plans as well as performance of the sustainability targets, which in turn is supported by ESG Task Force comprising cross functional team to execute the ESG plans and coordinate the communication with stakeholders.

The RMSC comprises four members, three of whom, including its chairperson, are independent non-executive directors. The chairperson of the RMSC is Ng Shin Ein and the other three members are Zhong Sheng Jian, Hee Theng Fong and Hong Pian Tee. The RMSC is guided by its written terms of reference which set out its authority and responsibilities including:

- (a) identifying, measuring, managing and controlling risks that may have a significant impact on the Group's property development activities;
- (b) reviewing and advising on the implementation and effectiveness of any associated risk action plans developed by the Group's senior management;
- (c) considering and advising on matters that may have a significant impact on the stability and integrity of the property market in the PRC;
- (d) reviewing and recommending on an annual basis the nature and extent of the significant risks that the Company should undertake to achieve its strategic objectives and value creation that are consistent with the Company's risk appetite;
- (e) reviewing the Company's sustainability reporting and considering the risk and impact of material ESG factors to the Group, the interest of stakeholders, the targets of the Group as well as the legislative requirement referred to it by the ESG Management Committee; and
- (f) reviewing and advising on the functioning and effectiveness of the Group's monitoring and management of sustainability related issues through various level of management.

# CORPORATE GOVERNANCE

## Internal Controls

The responsibility of overseeing the Group's internal controls system is delegated by the Board to, and undertaken by, the AC with the assistance of the internal auditors. The internal and external auditors conduct audits that involve testing the adequacy and effectiveness of the material internal control systems in the Group. The internal auditors present updates on key internal controls of the Group to the AC, and the AC to the Board, on an annual basis. In connection with the statutory audit review, the external auditors identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and 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 they identify during their audit. The internal controls (including financial, operational, compliance and information technology controls) are intended to provide reasonable but not absolute assurance against material misstatements or losses and include the safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

## Adequacy and Effectiveness of Risk Management and Internal Controls

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the AC, have rigorously assessed and are satisfied that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at December 31, 2020. No material weaknesses are identified by the Board and RMSC for the financial year under review.

The Board has received assurance from the Chairman and CEO and the Group Financial Controller as well as the internal auditors that in respect of the financial year under review, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's and the Company's operations and finances; and regarding the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

## Principle 10: Audit Committee

*The Board has an AC which discharges its duties objectively.*

The AC comprises five members, all of whom, including its chairman, are independent non-executive directors. Majority of the AC members, including chairman of the AC, are appropriately qualified with recent and relevant accounting or related financial management expertise and experience. The chairman of the AC is Ronald Seah Lim Siang and the other four members are Ng Shin Ein, Hong Pian Tee, Hee Theng Fong and Teo Ser Luck. The AC is guided by its written terms of reference which set out its authority and duties.

The AC assists the Board in discharging its responsibility objectively to safeguard the Group's assets, ensure integrity of the Company's financial reporting, and develop and maintain adequate and effective systems of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, the Management, the external auditors and internal auditors on matters relating to audit.

# CORPORATE GOVERNANCE

The duties of the AC include:

- (a) reviewing with the external auditors their audit plans and evaluation of the system of internal accounting controls;
- (b) reviewing financial statements and any significant financial reporting issues and judgements, before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (c) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls and ensuring co-ordination between the auditors and the Management, and reviewing the assistance given by the Management to the auditors, and discussing issues and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
- (d) reviewing and discussing with the auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response including to review the whistle-blowing policy for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (e) considering and recommending the appointment or re-appointment of the external auditors including remuneration of the external auditors, taking into consideration the Audit Quality Indicators ("AQI") (or other factors/requirements as may be amended from time to time) and matters relating to the resignation or dismissal of the auditors;
- (f) reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual and consider whether such transaction is carried out on normal commercial terms whereby the number and terms are fair and reasonable and is not prejudicial to the interests of the Company and its minority shareholders;
- (g) reviewing potential conflicts of interest, if any;
- (h) reviewing the assurance from the Chairman and CEO, the Group Financial Controller and internal auditors (or such other officer/management of equivalent level) on the financial records and financial statements;
- (i) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (j) generally undertaking such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

# CORPORATE GOVERNANCE

In addition, the AC has explicit authority to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The AC has full discretion with regard to the calling of any AC meeting and the proceedings thereat and may invite any director or Management to the meeting. In the event that a member of the AC has interest in any matter being considered by the AC, he/she shall abstain from reviewing and deliberating that particular transaction and voting on that particular resolution. The AC also meets separately with the internal and external auditors at least annually without the presence of Management. During the year, the AC held 2 meetings (other than passing of resolutions by way of circulations) and met with the internal auditors, and with the external auditors, in each case without the presence of the executive directors and Management. No significant issues have been raised in such meetings and required immediate attention of the AC and the Board. The internal and external auditors have unrestricted access to the AC and vice versa. The AC has been given full access to and co-operation of the Management and has reasonable resources to enable it to discharge its function properly. None of the former partners or directors of the Company's existing auditing firm is a member of the AC.

The AC carries out its duties as set out within its written terms of reference including matters such as reviewing and recommending the relevant financial results to the Board before the same are released via SGXNET, reviewing the internal audit reports, the reports from external auditors, the yearly report on key internal controls and interested person transactions. The AC also reviews the scope, results and effectiveness of the internal audit and external audit function, the independence and objectivity of the external auditors, the non-audit services rendered by external auditors as well as the appointment (including re-appointment) and removal of external auditors and their audit fees.

The AC is briefed and updated of any changes to accounting standards and issues which may have direct impact on the Group's financial statements from time to time where necessary.

## External Auditors

The Group incurred an aggregate amount of fees of approximately RMB9.6 million (excluding out of pocket expenses and goods and services tax and converted at a rate of S\$1 = RMB5.11) to the external auditors, Deloitte & Touche LLP, Singapore and Deloitte Touche Tohmatsu Certified Public Accountants LLP, Shanghai, PRC (collectively, "Deloitte"), comprising audit fees of approximately RMB7.3 million and non-audit services fee of approximately RMB2.3 million for the financial year under review. In compliance with Rule 1207(6)(b) of the Listing Manual, the AC confirmed that it has undertaken a review of all non-audit services provided by Deloitte and they will not, in the AC's opinion, affect the independence and objectivity of Deloitte. In reviewing the nomination of Deloitte for the re-appointment, the AC has also considered the adequacy of the resources, experience and competence of Deloitte and has taken into account the AQI relating to Deloitte at both firm and audit engagement level, in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("ACRA").

During the financial year under review, the Group has successfully completed the acquisition of UEL, the then another Singapore Exchange listed company, taking it private and integrating into the Group. In compliance with Rule 715 of the Listing Manual, Deloitte & Touche LLP has been appointed in place of Ernst & Young LLP as the external auditors of UEL group upon the acquisition.

The Group has also complied with Rule 712 of the Listing Manual in appointing the audit firms in respect of FY2020.

# CORPORATE GOVERNANCE

## AC Commentary on Significant Matters

During the financial year under review, the following significant matters that impact the financial statements were reviewed by the AC in relation to their materiality and appropriate methodology/assessment. These matters were also discussed with Management and the external auditors.

Significant matters	How the AC reviewed these matters and what decisions were made
Assessment of recoverable amounts for properties for development, completed properties for sale and properties under development for sale (collectively, "Properties")	<p>The AC considered Management's approach and methodology applied in determining whether the Group's Properties are impaired and the amount of impairment to be recorded, if any.</p> <p>The AC reviewed Management's assumptions relating to the reasonableness of the future sales and projected construction costs used in the management assessment.</p> <p>The assessment of recoverable amounts for the Group's Properties was an area of focus for the external auditor, who has included this as a key audit matter for FY2020. Refer to page 82 of this 2020 Annual Report.</p>
Valuation of investment properties	<p>The AC considered the approach and methodology applied by independent professional valuers to the valuation model in assessing the valuation of investment properties as at year end.</p> <p>The AC reviewed the reasonableness of the key assumptions used in the valuation, which include (i) price per square metre or per carpark unit; (ii) capitalisation rates; and (iii) market rent per square metre per month.</p> <p>The valuation of investment properties was an area of focus for the external auditor, who has included this as a key audit matter in its audit report for FY2020. Refer to page 83 of this 2020 Annual Report.</p>

## Whistle-Blowing Policy

The Company has in place a whistle-blowing policy (which is also being made available on the Company's website at <http://www.yanlordland.com/corporate-governance/>) which provides an avenue for employees of the Group and any other persons to raise concerns about possible improprieties in matters of financial reporting, accounting or auditing, internal controls or internal accounting controls and other operational matters ("Complaint"). The Company believes that it is in the best interests of the Group to promote a working environment conducive for employees and any other persons to raise or report their concerns. Every Complaint raise shall be lodged with the internal audit department of the Company. The internal audit department maintains a complaint register for the purposes of recording details of such Complaints. The whistle-blowing procedure is set out below:

### 1. Definitions

The following words as used shall have the meanings ascribed here:

- 1.1 "Possible Malpractice" means any activity, breach of business conduct and ethics or omission by an employee of the Group or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are either questionable or not in accordance with accepted accounting practices and/or trade practices prescribed by the Group.
- 1.2 "Complaint" means any complaint alleging either Possible Malpractice or Retaliatory Action.

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- 1.3 “Retaliatory Action” means the use or attempted use of force, authority, intimidation, threat, undue pressure of any kind or any other negative or other inappropriate action, by any employee or officer of the Group, against any person who has filed a Complaint.

## 2. Reporting of Possible Malpractice

The Company believes that it is in the best interests of the Group to promote a working environment conducive for employees and any other persons to raise or report genuine concerns about Possible Malpractice in matters of financial reporting or other matters in strict confidence they may encounter, without fear of Retaliatory Action.

## 3. Procedures

### 3.1 Lodging a Complaint

3.1.1 Every Complaint shall be lodged with the internal audit department of the Group by the following means:

- 1) By Email

Email address: [roy.tsui@yanlord.com.hk](mailto:roy.tsui@yanlord.com.hk)  
Attention: Mr Roy Tsui

OR

- 2) By Mail

Attention: Mr Roy Tsui, Internal Audit Department  
Address: 38F Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(Mark envelope “Private and Confidential”)

All correspondence shall be treated with the strictest confidence.

3.1.2 The complainant must provide his/her particulars (“Particulars”) as follows:

3.1.2.1 In the case of employee of the Group:

- (a) Name;
- (b) Department/Company;
- (c) Contact Number; and
- (d) Email, if available.

3.1.2.2 In the case of any other person:

- (a) Name;
- (b) Correspondence Address/Company;
- (c) Contact Number; and
- (d) Email, if available.

The Complaint will not be attended to if the Particulars are not stated. Each complainant is required to provide the Particulars to allegations because appropriate follow-up questions and investigations may not be possible unless the source of the information is identified. By providing the Particulars to the Group, each complainant agrees for the Group (and any of its officers, employees, agents or service providers) to collect, use, disclose and/or process the Particulars for purposes of verifying, investigating, processing and dealing with the Complaint.

# CORPORATE GOVERNANCE

## 3.2 Confidentiality of Identity

Every effort will be made to protect the complainant's identity. The identity of the complainant shall be confidential save where:

- 3.2.1 the identity of the complainant, in the opinion of the AC, is material to any investigation;
- 3.2.2 it is required by law, or by the order or directive of a court of law, regulatory body or by the Singapore Exchange or such other body that has the jurisdiction and authority of the law to require such identity to be revealed;
- 3.2.3 the AC with the concurrence of the Board opined that it would be in the best interests of the Group to disclose the identity;
- 3.2.4 it is determined that the Complaint was frivolous, in bad faith, or in abuse of these policies and procedures and lodged with malicious or mischievous intent; or
- 3.2.5 the identity of such complainant is already in the public domain.

## Internal Audit

The Group has an in-house internal audit function ("Internal Audit"), led by Tsui Kai Fung, a qualified and certified accountant, that is independent of the activities it audits. To ensure that the internal audit works are performed by competent professionals, the Internal Audit is staffed with professionally qualified personnel who are members of (i) Hong Kong Institute of Certified Public Accountants ("HKICPA"); (ii) Association of Chartered Certified Accountants; or (iii) Hong Kong Institute of Chartered Secretaries. The Internal Audit reports directly to the AC chairman for strategic direction, reinforcement and accountability, and administratively to the Chairman and CEO for assistance in establishing direction, support and administrative matters. The AC assesses, at least annually, the objectivity, adequacy and effectiveness of the Internal Audit to ensure it is independent, adequately resourced and effective on an on-going basis. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and have appropriate standing within the Group.

Internal Audit is conducted across the Group to monitor the effectiveness of risk management, internal controls and governance processes, *inter alia*, its key role is to promote effective internal controls in the Group and to monitor the performance and effective application of internal controls procedures, which serve to safeguard Shareholders' interests and the Group's assets. The Internal Audit carries out its function according to the Auditing Guideline – Guidance for Internal Auditors issued by the HKICPA. The internal auditors schedule the Group's yearly internal audit plan in consultation with, but independently of, the Management and the same is submitted to the AC for approval on an annual basis prior to the commencement of the yearly internal audit works. The AC considers the resources dedicated to the internal auditors and whether these resources enable Internal Audit to deliver on its audit plan. The AC also receives reports on the findings of internal auditors' works which included corrective measures recommended by the internal auditors as well as the Management's responsiveness to these internal audit findings and corrective measures. In the event there is any material and high-risk internal audit findings such as significant non-compliance or major lapses in internal controls, the internal auditors shall report to the AC on an immediate basis. No material and high-risk internal audit finding was reported for FY2020.

Based on the internal controls established and maintained by the Group, work performed by internal auditors as reviewed by the AC and yearly key internal controls report tabled to the AC, the AC is satisfied that the Company's Internal Audit is independent, adequately resourced and effective.



# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

*The Company treats all Shareholders fairly and equitable in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company is committed to delivering high standards of corporate disclosure and transparency in its communications with Shareholders. All Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

#### Information to Shareholders

In line with continuous disclosure obligations of the Company, the Company does not practice selective disclosure and the Shareholders are informed promptly of any major development that may have a material impact on the Group's performance and/or information which may affect the trade, price or value of the Company's shares. Information is communicated to Shareholders on a timely basis, through annual reports that are issued within the mandatory period, financial statements announcements, press releases and other announcements via SGXNET. The annual reports and financial information are also being made available on the Company's website at <http://yanlord.listedcompany.com/ar.html> and <http://yanlord.listedcompany.com/financials.html> respectively, while all announcements published by the Company via the SGXNET are accessible on the Company's website at <http://yanlord.listedcompany.com/newsroom.html>. Management made presentation to Shareholders to update them on the Company's performance and position at general meetings, and relevant presentation materials are made available on SGXNET and the Company's website at <http://yanlord.listedcompany.com/newsroom.html> for the benefit of Shareholders. The Company's website is <http://www.yanlordland.com>.

#### Participation and Voting at General Meetings

All the general meetings of Shareholders are held in Singapore to ensure that Shareholders have the opportunity to participate effectively in and vote at the general meetings. Amid the control measures due to COVID-19 pandemic, the AGM of the Company for FY2019 was held and conducted by electronic means on June 29, 2020 ("2020 AGM"), in place of a physical meeting and shareholders were not able to attend the 2020 AGM in person, in line with the COVID-19 (Temporary Measures) Act 2020, relevant rules and regulations as well as checklist issued by ACRA, the Monetary Authority of Singapore and the Singapore Exchange Regulation.

Shareholders were, in advance, informed of relevant rules and procedures on the alternative arrangements of 2020 AGM. Among others, Shareholders registered online for participation in the 2020 AGM, and upon verification, received an email containing (i) the login credentials, the link and the steps to access the live audio-visual webcast of the 2020 AGM proceedings, and (ii) the live audio-only stream dial-in numbers to listen to the 2020 AGM proceedings. Shareholders were also given a right to vote on all or any of the resolutions proposed at the 2020 AGM by submitting a proxy form before the prescribed timeline to appoint only the Chairman of the 2020 AGM as their proxy to cast votes on their behalf. Separate resolutions were proposed for substantially separate issues, so as the Shareholders were given the right to express their views and exercise their voting rights on each resolution separately. Detailed information on resolutions relating to directors seeking re-election and renewal of share buyback mandate were disclosed in the additional information on directors seeking re-election and the appendix to notice of 2020 AGM, respectively, and information on other resolutions were set out in the notice of 2020 AGM. All resolutions of the 2020 AGM were voted by poll, by the Chairman of the 2020 AGM, in accordance with the directions set out in proxy forms received which have been checked by Boardroom Corporate & Advisory Services Pte. Ltd., the Company's share registrar and the appointed polling agent for 2020 AGM, and counted and validated by DrewCorp Services Pte. Ltd., an independent service provider and the appointed scrutineer for 2020 AGM. Shareholders submitted questions related to the resolutions proposed at the 2020 AGM, if any, in advance to the Company when they register online or by post to the office of the Company's share registrar. Responses to all substantial and relevant questions have been published on SGXNET and the Company's website, prior to 2020 AGM. In line with the Group's commitment towards conservation and preservation of natural resources for environmental sustainability, the

# CORPORATE GOVERNANCE

Company has discontinued the practice of mailing its annual reports in CD-ROM. The Annual Report for FY2019 has been made available on the SGXNET and the Company's website for Shareholders' reading and downloading, and Shareholders were able to send in their request to the Company to ask for a printed copy of the same to be delivered to them. Other documents including appendix to notice of the 2020 AGM, additional information on directors seeking re-election, proxy form and letter to shareholders have also been published on SGXNET and the Company's website together with the notice of the 2020 AGM in accordance with the relevant requirements.

In normal circumstances where general meeting is held physically and the Shareholders are allowed to attend, speak and vote at such general meeting, each individual Shareholder may appoint not more than two proxies in accordance with the regulation of the Company's Constitution for the proxies to attend, speak and vote on his/her behalf at the general meeting if he/she is unable to attend the general meeting in person. A member of the Company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act, Chapter 50 of Singapore ("Act")) is entitled to appoint more than two proxies to attend, speak and vote in general meetings pursuant to Section 181(1C) of the Act. Subject to the applicable written laws and regulations and the Constitution of the Company, the Company, may at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

## **Attendance at the General Meeting**

All members of the then existing Board including the Chairman and CEO, the executive directors and the independent non-executive directors together with the Group Financial Controller, Head of Investor Relations and Company Secretary attended the 2020 AGM via video conferencing, while the representatives from the external auditors, the share registrar and polling agent, and the scrutineer participated in the 2020 AGM via live audio-visual webcast. The directors always strive to attend all general meetings of Shareholders and interact with Shareholders regularly.

## **Voting Results and Minutes of General Meetings**

The voting outcomes of all resolutions were disclosed subsequent to the 2020 AGM in accordance with the prescribed format pursuant to Chapter 7 of the Listing Manual via SGXNET on the same day.

The company secretary prepares minutes of the general meetings recording substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, and responses from the Board, Management and external auditors, if any. Minutes of the 2020 AGM has been published via SGXNET and the Company's website according to the relevant requirements.

# CORPORATE GOVERNANCE

## Dividend

In view that annual dividend shall be proposed by the Management to the Board for consideration prior to any such declaration by the Board on an annual basis after taking into consideration the Group's business expansion and development plans, its financial performance and available resources and other relevant factors from time to time, it is in the interest of the Company not to determine any fixed annual dividend payment policy. Declaration of dividends if any, are clearly communicated to Shareholders and in the event where dividends are not recommended or declared, explanations are given to the Shareholders too. Such communications with Shareholders are made via SGXNET announcements.

## Principle 12: Communication with Shareholders

*The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.*

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interest. The Company has a team of investor relations staff to actively engage and promote regular, effective and fair communication with Shareholders and investors. Shareholders may contact Singapore, Hong Kong and Shanghai offices of the Group through the telephone numbers or email address set out in the Company's website at <http://www.yanlordland.com/contact-us/>. Shareholders may subscribe for email alert service to be notified of the SGXNET announcements published by the Company.

In addition to disclosing relevant information of the Group via SGXNET, the Group participated in activities such as global investor conferences, analyst briefings and roadshows to solicit and understand the views of the Shareholders and investors. A brief write-up of the Group's investor relations activities can be found under the operation review section in this 2020 Annual Report.

On January 9, 2020, the Singapore Exchange Regulation introduced a new risk-based approach for quarterly reporting requirement whereby only companies associated with higher risks are mandatorily to have quarterly reporting and all other companies need only to do semi-annual reporting. Under the new regime, the Company is only required to announce half-yearly and full year financial results. However, having considered the need of Shareholders and investors for information in the absence of quarterly financial results reporting, the Company has decided to engage with the Shareholders and investors by voluntarily providing updates on the Group's unaudited key operating figures on a monthly basis via SGXNET. The Company shall consider on the need to have other voluntary interim updates, taking into consideration its Shareholders' expectations, context of business environment and long-term business strategy.

# CORPORATE GOVERNANCE

## 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.*

#### Appropriate Focus on Sustainability

Stakeholders are parties who may be affected by the Company's activities, or whose actions can affect the ability of the Company to conduct its activities. The Group recognises the relationships with stakeholders may have an impact on the Group's long-term sustainability, and values long-term viability over short-term gains. The Group has been incorporating sustainability initiatives and goals in its strategies and operations, and believes that business success can be achieved through the integration of sustainability in its long-term strategies. The Group's 4-tier sustainability governance structure that comprises the Board, RMSC, ESG Management Committee and ESG Task Force proactively assessing ESG risks, setting up strategies, policies and systems, implementation plans and key performance indicators as well as reviewing, monitoring and managing ESG related material topics and objectives on an on-going basis.

The Group prioritises the health and safety of its customers and considers their well-being at every stage of its operations when developing the properties. To safeguard the health and safety of its customers, the Group has instituted several policies with provisions to ensure that accidents and non-compliance of regulations are avoided, for instance, identifying all potential hazards that the customers may encounter and implementing pre-emptive mitigation measures where necessary. To improve the overall satisfaction of its customers, the Group also studies on the needs of its customers and incorporates these elements in designing and developing its properties, whilst privacy of the customers has been duly protected with adhering to the privacy policy of the Group which is being made available on the Company's website at <http://www.yanlordland.com/corporate-governance/>. Recognising the need for balance between the commercial needs of our customers and environmental preservation, the Group continues to introduce environmental initiatives through developing eco-friendly developments as and where appropriate. While diversifying its development projects, the Group adopts a responsible approach towards the preservation of natural environment and historical heritage, if any, on and around the construction site. The Group is dedicated to safeguarding its employees' welfare and improving their workplace competencies. It has been abiding by the Labour Law of local authorities, among others, to secure the health and safety of its employees in respective countries which the Group presence throughout the year. The Group also further increases its efforts to instil a mind-set that prioritises workplace safety and enforces health and safety policies to create a safe workplace culture. Having noted that its operations not only impact its business performance but the local communities, the Group further extends its social responsibilities to include donations to certain non-profit organisations and involve in special needs and underprivileged communities.

Apart from integrating sustainability in its own operations, the Group has extended its pledge to sustainable business practice across its value chain. Business partners are encouraged to be socially and environmentally responsible in their dealings, for instance, vendors and suppliers are required to undertake to deliver high-quality products and services to the Group, whilst complying with the relevant rules and regulations and promising their commitment and efforts towards an anti-corruption and anti-bribery business environment in line with the Group's code of business conduct which advocates zero-tolerance stance against bribery and corruption.

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The sustainability reports covering the sustainability performance, activities and initiatives of the Group explains on how the Group met its responsibilities with its material stakeholders, are published on the SGXNET and the Company's website at <http://yanlord.listedcompany.com/sr.html>. If required, stakeholders may contact (i) the Company through the telephone numbers or email address set out in the Company's website at <http://www.yanlordland.com/contact-us/>, (ii) the internal auditors through the email address or mailing address set out in the Company's whistle-blowing policy, (iii) the lead independent director through correspondence sent to the Company with attention to the lead independent director, (iv) the data protection officer of the Group through email address set out at in the Company's website at <http://www.yanlordland.com/corporate-governance/>, or (v) the investor relations department through the email address at [contact@yanlord.com.sg](mailto:contact@yanlord.com.sg).

## OTHER CORPORATE GOVERNANCE MATTERS

### Core Value

The Group embraces its corporate philosophy of "developing land with devotion, building quality accommodation with passion 《善待土地,用心造好房》" and advocates, throughout the Group, a mission that cultivates core value of "managing with benevolence and integrity, achieving perpetuity through perseverance 《仁信治业、持之以恒》". The Group has in place a code of business conduct with relevant policies and practices that inculcates a clean corporate culture such that the Group shall conduct its business with integrity and in socially responsible, ethical and honest manners with zero-tolerance stance against bribery and corruption. The code of business conduct is being made available in the Company's website at <http://www.yanlordland.com/corporate-governance/>.

### Dealings in Securities

The Company has adopted securities dealing policy internally to provide guidance for the Company and officers of the Group in relation to the dealings in securities of the Company and the strict compliance of applicable law on insider trading when dealing with securities of the Company as well as securities of other listed companies. Under the securities dealing policy, the Company as well as officers of the Group are prohibited from dealing in the Company's securities one month prior to the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), or two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Singapore Exchange or otherwise), and are also prohibited from dealing in the Company's securities on short-term considerations and/or when in possession or have access to unpublished material information. The restriction on dealing further extends to the issue of securities, or the purchase or otherwise acquire of shares pursuant to the Company's share buyback mandate, by the Company. Notifications together with the securities dealing policy would be disseminated to all officers of the Group (including directors), whether in Singapore or elsewhere, informing them of the specific dates during which they are prohibited from dealings. The officers of the Group are also reminded of the requirements of Singapore's securities laws and be mindful of the law on insider trading.