ACHIEVING THE RIGHT BALANCE

HONG FOK CORPORATION LIMITED / ANNUAL REPORT 2023

CONTENTS

VISION & MISSION

TO **BUILD** AND **MAINTAIN** A **LONG-TERM SUSTAINABLE REAL-ESTATE RELATED BUSINESS**

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the "Board") of **HONG FOK CORPORATION LIMITED** (the "Company" and together with its subsidiaries, the "Group"), I am pleased to present our Annual Report for the financial year ended 31 December 2023 ("FY2023").

REVIEW OF FY2023

In FY2023, contributions from the operation of the Group's hotel investment property, YOTEL Singapore Orchard Road, improved from FY2022, as visitor arrivals and tourism receipts in Singapore continued to grow in 2023.

In April 2023, the applicable Additional Buyer's Stamp Duties ("ABSD") rates were increased across the board and, in particular, foreigners were some of the most impacted with an increase of ABSD rates from 30% to 60% for the purchase by any foreigner of any residential property. This impacted the sales of the Group's residential units in Concourse Skyline with only six units sold in 2023 as compared to ten units sold in 2022.

For FY2023, the Group's net profit was approximately $95 million, of which approximately $88 million was attributable to Owners of the Company.

The Group maintained a strong financial position as of 31 December 2023 with net current assets of approximately $145 million, of which cash and cash equivalents was approximately $64 million. Net asset value per share was $3.57 on 31 December 2023.

PROSPECTS FOR FY2024

The recovery of the tourism sector is expected to continue in 2024 with improved global flight connectivity, increased flight capacity and the implementation of the mutual 30-day visa-free travel between China and Singapore. Hence the Group is optimistic about the room rates and occupancy rate of YOTEL Singapore Orchard Road.

As long as leasing demand for commercial and residential units remains generally healthy, the occupancy rates of the Group's investment properties are expected to remain stable.

The higher ABSD rates for residential properties in Singapore will continue to deter foreign buyers and investors. The current residential market is likely to continue to remain moderately weak with buying momentum driven mainly by local buyers. Nevertheless, the Group is expected to continue to recognise revenue from the sales of its residential units in Concourse Skyline.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt appreciation to our shareholders, tenants, customers, business associates and bankers for their continued support and confidence in the Group.

On behalf of the Board, I would also like to thank our Board members for their invaluable contributions and guidance. The Board would especially like to extend our appreciation to Mr Lim Jun Xiong Steven for his contributions and guidance during his nine-year tenure as Non-executive Independent Director. The Board also welcomes Mr Kwik Sam Aik and Mr Tan Kok Kwee who joined us as Non-executive Independent Directors in August 2023 and February 2024 respectively. I am confident that they will prove to be strong assets to the Board.

The Board would also like to thank our management and staff for their hard work and contribution during the year.

CHAN PENGEE, ADRIAN
Non-executive Independent Chairman

BOARD OF DIRECTORS

MR CHAN PENGEE, ADRIAN

Mr Chan is the Non-executive Independent Chairman of the Board, Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee. He is the head of corporate and a senior partner at Lee & Lee. He is the vice-chairman of the Singapore Institute of Directors. He is a member of the Legal Service Commission and Singapore Management University's Enterprise Board and serves on the Executive Council of the Association of Small and Medium Enterprises as its honorary secretary. He is an independent director of Best World International Limited, First REIT Management Limited (the manager of First REIT), Food Empire Holdings Limited and Keppel Infrastructure Fund Management Pte. Ltd..

Mr Chan holds a Bachelor of Laws degree from the National University of Singapore and is a member of the Singapore Academy of Law. He has more than 34 years of experience in the legal profession.

MR CHEONG PIN CHUAN

Mr Cheong is an Executive Director and Joint Chief Executive Officer and is principally involved in the Group's overall operations and management with greater emphasis in Hong Kong. He is a graduate of the Footscray Institute of Technology in Australia and is a member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 52 years of experience in property development at both management and board levels in Singapore and Hong Kong.

MR CHEONG SIM ENG

Mr Cheong is an Executive Director and Joint Chief Executive Officer and is principally involved in the Group's overall operations and management with greater emphasis in Singapore. He is a graduate of the Chaminade University of Honolulu with a Bachelor of Arts degree. He has over 39 years of experience in the property development business.

MS CHEONG HOOI KHENG

Ms Cheong is an Executive Director and Chief Operating Officer and is principally involved in the Group's development of properties. She also oversees the project management in relation to the development and construction of properties, the leasing and marketing of the Group's real estate properties and major financial affairs of the Group in Singapore. She holds a Bachelor of Science degree in Business Administration from the California State University, Hayward and a Master of Business Administration degree from the Chaminade University of Honolulu. She has over 44 years of experience in the property development and construction business.

MR CHONG WENG HOE

Mr Chong is a Non-executive Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nominating Committee.

Mr Chong joined TUV SUD PSB Pte Ltd in April 1991 as an engineer and was appointed as its chief executive officer in January 2008. He was responsible for its business activities in the ASEAN region, with operations in Singapore, Malaysia, Thailand, Vietnam, Indonesia and the Philippines. In July 2013, he stepped down as the chief executive officer of TUV SUD PSB Pte Ltd but remained as its director to provide support in the development of the business in the region until September 2017. Thereafter, he was relocated to TUV SUD Asia Pacific Pte Ltd, assuming the position of executive vice president.

Mr Chong is a non-executive chairman and an independent director of HC Surgical Specialists Limited and ISEC Healthcare Ltd, and is an independent director of Baker Technology Limited. He has also served as president of the Nanyang Business School Alumni of the Nanyang Technological University of Singapore ("NTU") from 2014 to 2021.

Mr Chong graduated with a Bachelor of Engineering (Electrical and Electronics) from the National University of Singapore and obtained a Master of Business Administration (Accountancy) from NTU. He has over 22 years of experience in financial management, marketing, customer support and project management.

BOARD OF DIRECTORS

MR KWIK SAM AIK

Mr Kwik is a Non-executive Independent Director, Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and the Remuneration Committee.

Mr Kwik has over 27 years of experience in banking, covering different areas including commercial and international banking, corporate and investment banking and capital markets. He has held various senior positions with different banks in Hong Kong, Singapore and China. Mr Kwik was the chief executive officer and general manager of the Hong Kong Branch of Overseas Union Bank Limited ("OUB") up to June 2000, where he oversaw the business activities of the branch in Hong Kong as well as the business activities of the Beijing Representative Office which carried out the operations of the bank in the People's Republic of China. Mr Kwik also served as the chief executive officer and general manager of the Shanghai Branch of OUB and was head of its operations in the People's Republic of China, from January 2000 to December 2001. Mr Kwik served as the managing director of the Hong Kong Branch of DBS Bank Limited ("DBS") from February 2002 to June 2006, and as the chief executive officer of the Hong Kong Branch of DBS.

From May 2011 to November 2015, Mr Kwik was a non-executive independent director, chairman of the nomination committee and a member of the audit committee of Winfoong International Limited (renamed as China Graphene Group Limited in 2016 and subsequently renamed to China Asia Valley Group Limited in 2020) ("WIL"). WIL was engaged in various businesses over that period of time, including property development and construction, property management, money lending, provision of horticultural services and securities trading. The shares of WIL were listed on the main board of The Stock Exchange of Hong Kong Limited. WIL was an associated company of Hong Fok Corporation Limited, until Hong Fok Corporation Limited disposed of its shares of WIL in September 2015.

Mr Kwik is also a director, executive committee member and treasurer of The Singapore Chamber of Commerce (Hong Kong).

Mr Kwik graduated with a Bachelor of Accountancy from the University of Singapore (now known as the National University of Singapore).

MR TAN KOK KWEE

Mr Tan is a Non-executive Independent Director of the Company.

Mr Tan has had a long career in the banking industry, with 38 years of experience in corporate banking, which spanned 18 years at Overseas Union Bank Limited ("OUB") and 20 years at United Overseas Bank Limited ("UOB").

Mr Tan commenced his banking career with OUB in 1983, where he was promoted to the position of senior vice president. Following the merger of OUB with UOB in 2001, Mr Tan continued his banking career with UOB, where he was promoted to the position of executive director. Mr Tan retired in 2021.

Mr Tan was a member of the senior team for corporate banking at UOB, and the responsibilities of the senior team included monitoring and seeking to improve the "profit and loss" of the corporate banking business of the bank and managing the credit risk of the corporate banking's portfolio. Mr Tan has experience in managing various stakeholders, including corporate clients, developers, family offices, contractors, professional agencies, law firms, valuers and accountants.

Mr Tan graduated with a Bachelor of Business Administration from the National University of Singapore in 1983 and complemented his academic foundation with various banking courses in the course of his career.

MR CHEONG TZE HONG, MARC

Mr Cheong was appointed Alternate Director to Mr Cheong Pin Chuan on 22 January 2021. He is also the Director – Finance Division of Hong Fok Land International Limited.

For more information on Mr Cheong, please refer to the section on "Key Executive Officers".

KEY EXECUTIVE OFFICERS

MS CHEONG PUAY KHENG
Senior Vice President (Corporate Services)

Ms Cheong's job responsibilities essentially cover the planning, organisation and control of office administration and personnel management of the Group as well as initiatives matters on environmental, social and governance, employer branding and post-pandemic requirements. She graduated from the Armstrong College of Berkeley in the United States of America with a Bachelor of Science degree. She has 45 years of experience at management level.

Ms Cheong is also the Senior Manager of Hong Fok Land International Limited.

Ms Cheong was the Vice President (Administration and Personnel) of the Group from 1 June 2014 to 31 March 2023. She has been re-designated as Senior Vice President (Corporate Services) of the Group with effect from 1 April 2023.

MS KOH CHAY TIANG
Vice President (Accounts and Finance)/Company Secretary

Ms Koh is responsible for the accounts and finance functions of the Group in Singapore. She holds a Bachelor of Accountancy degree from the University of Singapore and is a Chartered Accountant of Singapore. She has 41 years of experience at management level in Singapore.

MR NG SAI KIAN
Vice President (Property Management)

Mr Ng is responsible for property management and maintenance for all properties under the Group in Singapore as well as properties of Warranty Management Pte Ltd's clients. He holds an Honours degree in Bachelor of Science from the University of Bradford in the United Kingdom. He has over 5 years of experience in project management in China, 2 years of experience in consultancy service in Singapore as well as more than 29 years of experience in property management in Singapore.

MS CHARMAINE LOW
Vice President (Marketing)

Ms Low is responsible for the marketing, sales and leasing of the Group's real estate properties in Singapore.

She graduated from Heriot-Watt University in the United Kingdom with an Honours degree in Estate Management. She has more than 20 years of experience in real estate marketing in residential and commercial properties.

MR CHEONG TZE HONG, MARC
Alternate Director to Mr Cheong Pin Chuan/
Director - Finance Division of Hong Fok Land International Limited

Mr Cheong oversees all financial aspects of the business in Hong Kong. He holds a Bachelor of Science degree in Accounting from the University of Southern California in the United States of America and a Master of Business Administration degree from the University of Chicago Graduate School of Business. He has over 3 years of experience in the merchant banking field and 23 years of experience in business development and financial management in Hong Kong.

MR CHEONG TZE HIAN, HOWARD
Director - Project Development of
Hong Fok Land International Limited

Mr Cheong oversees all aspects of project development for the properties in Hong Kong. He holds a Bachelor of Science degree in Accounting from the University of Southern California in the United States of America. He has over 3 years of experience in the private equity field and 19 years of experience in project management in Hong Kong.

MR TSUI YEUNG KUN
Director - Business Development of
Hong Fok Land International Limited

Mr Tsui's job responsibilities cover the identification and development of new business opportunities in Hong Kong, and project management in relation to the development and construction of properties in Hong Kong. He graduated from the Christian Brothers College in the United States of America with a Bachelor of Science degree in Accounting and Economics. He has over 6 years of experience in the management of investment funds and 11 years of experience in equity research and stock broking activities in Hong Kong.

CORPORATE INFORMATION

HONG FOK CORPORATION LIMITED is a public company listed on the Singapore Exchange Securities Trading Limited. The principal activity of the Company is that of investment holding whose subsidiaries are primarily engaged in property investment, property development and construction, property management, investment trading and investment holding and management.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

MR CHEONG PIN CHUAN
Joint Chief Executive Officer

MR CHEONG SIM ENG
Joint Chief Executive Officer

MS CHEONG HOOI KHENG
Chief Operating Officer

ALTERNATE DIRECTOR

MR CHEONG TZE HONG, MARC
Alternate Director
to Mr Cheong Pin Chuan

NON-EXECUTIVE INDEPENDENT DIRECTORS

MR CHAN PENGEE, ADRIAN
Chairman

MR CHONG WENG HOE
MR KWIK SAM AIK
MR TAN KOK KWEE

AUDIT AND RISK MANAGEMENT COMMITTEE

MR KWIK SAM AIK
Chairman

MR CHAN PENGEE, ADRIAN
MR CHONG WENG HOE

NOMINATING COMMITTEE

MR CHAN PENGEE, ADRIAN
Chairman

MR CHONG WENG HOE
MR KWIK SAM AIK

REMUNERATION COMMITTEE

MR CHONG WENG HOE
Chairman

MR CHAN PENGEE, ADRIAN
MR KWIK SAM AIK

SECRETARIES

MS LIM GUEK HONG
MS KOH CHAY TIANG

AUDITORS

KPMG LLP
Public Accountants and
Chartered Accountants
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961
Tel : 6213 3388
Fax: 6225 0984

MS VOO POH JEE
Partner-in-charge
Year of Appointment : 2022

REGISTRARS

B.A.C.S. PRIVATE LIMITED
77 Robinson Road #06-03
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Singapore 068896
Tel : 6593 4848

REGISTERED OFFICE

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Singapore 199555
Tel : 6292 8181
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Website : www.hongfok.com.sg

PROPERTY SUMMARY

Property	Description	Lot Nos.	Stage of Completion/ Expected Date of Completion	Existing Use	Approximate Site Area (m²)	Approximate Gross Floor Area (m²)	Percentage Owned (%)	Tenure of Land
INVESTMENT PROPERTIES								
International Building at Orchard Road, Singapore	A 12-storey commercial building	956X of Town Subdivision 25	Completed	Offices/ Shops/ Restaurants	2,066	14,997[1]	100	Freehold
YOTEL Singapore Orchard Road at Orchard Road, Singapore	A 30-storey 610-room hotel and car park lots	956X of Town Subdivision 25	Completed	Hotel/Car park	2,158	15,744	100	Freehold
362 & 364 Orchard Road at Orchard Road, Singapore	A single storey commercial block	1719L of Town Subdivision 25	Completed	Retail	832	279	100	Freehold
The Concourse at Beach Road, Singapore	A 41-storey commercial/office tower	43 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Offices/Retail	11,715	60,164[2]	100	99 years lease from 13/03/2008
Concourse Skyline at Beach Road, Singapore	Retail units at 1st storey	9 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Retail	115	608[2]	100	99 years lease from 13/03/2008
Concourse Skyline at Beach Road, Singapore	A part 4/part 7-storey podium car park/apartment block, 2 part 20/part 28-storey and part 34/part 40-storey residential blocks with communal facilities	8 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Residential	8,662	710[2]	49	99 years lease from 13/03/2008
Magazine Gap Towers at 15 Magazine Gap Road, Hong Kong	A 14-storey (including a basement) private residential building	Inland Lot No.2570 and The Extension thereto	Completed	Residential	1,765	5,128	49	75 years lease from 04/06/1925 and renewed for a further term of 75 years
Magazine Heights at 17 Magazine Gap Road, Hong Kong	A 14-storey (including a lower ground floor) private residential building	Inland Lot No.8021 and The Extension thereto	Completed	Residential	2,139	5,574	49	75 years lease from 28/08/1920 and renewed for a further term of 75 years
Upper Roof and Parking Spaces of THE ICON at 38 Conduit Road, Hong Kong	Upper roof and parking spaces of a 23-storey (including a 2-storey basement) residential building	Inland Lot No. 1253	Completed	Vacant[3]	–	47[3]	49	999 years lease from 25/06/1861
DEVELOPMENT PROPERTIES								
Concourse Skyline at Beach Road, Singapore	A part 4/part 7-storey podium car park/apartment block, 2 part 20/part 28-storey and part 34/part 40-storey residential blocks with communal facilities	51 strata units of Parent Lot No. 1110V of Town Subdivision 13	Completed	Residential	8,662	8,614[2]	100	99 years lease from 13/03/2008

Notes:
(1) Excludes 162m² of floor space which are held by third parties on 999 years lease.
(2) This relates to the strata area for the said units.
(3) This relates to the upper roof of THE ICON.

SUMMARY OF THE GROUP

SUMMARY OF THE RESULTS OF THE GROUP
For the last 5 financial years are as follows:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Revenue	**110,601**	153,919	90,501	80,399	113,245
Profit/(Loss) before tax	**99,073**	239,291	49,181	(22,116)	119,782
Tax expense	**(4,055)**	(5,365)	(4,516)	(4,180)	(4,996)
Profit/(Loss) for the year	**95,018**	233,926	44,665	(26,296)	114,786
Profit/(Loss) attributable to:					
Owners of the Company	**88,068**	220,099	38,908	(8,696)	112,514
Non-controlling interests	**6,950**	13,827	5,757	(17,600)	2,272
Profit/(Loss) for the year	**95,018**	233,926	44,665	(26,296)	114,786
Dividend	**6,417**	6,560	6,671	6,703	8,890

SUMMARY OF THE ASSETS AND LIABILITIES OF THE GROUP
For the last 5 financial years are as follows:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Property, plant and equipment	**1,484**	1,760	2,856	3,331	4,009
Associates and joint venture	**–**	#	#	#	#
Investment properties	**3,466,696**	3,391,541	3,200,358	3,156,538	3,193,538
Other non-current assets	**4,284**	5,445	5,536	4,463	12,591
Current assets	**192,766**	177,294	258,262	257,270	259,527
Total Assets	**3,665,230**	3,576,040	3,467,012	3,421,602	3,469,665
Share capital	**186,688**	186,688	186,688	186,688	186,688
Treasury shares	**(143,670)**	(143,573)	(120,377)	(120,377)	(111,183)
Reserves	**2,246,578**	2,169,105	1,933,908	1,899,638	1,917,437
	2,289,596	2,212,220	2,000,219	1,965,949	1,992,942
Non-controlling interests	**604,135**	602,452	616,662	607,481	622,519
Total Equity	**2,893,731**	2,814,672	2,616,881	2,573,430	2,615,461
Non-current liabilities	**724,063**	711,968	677,892	779,371	793,183
Current liabilities	**47,436**	49,400	172,239	68,801	61,021
Total Liabilities	**771,499**	761,368	850,131	848,172	854,204
Total Equity and Liabilities	**3,665,230**	3,576,040	3,467,012	3,421,602	3,469,665

Amount less than $1,000

FINANCIAL REPORT

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2023

The board of directors of the Company (the "Board" or "Directors") recognises the importance of good corporate governance practices. The Company confirms that it has complied with the principles of the Code of Corporate Governance 2018 (the "2018 Code") and where the Company's practices vary from any provisions of the 2018 Code, this is stated with an explanation of the reason for the variation and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

The Board's Conduct of Affairs (Principle 1 of the 2018 Code)

Key features of this section:
- The Board gives a positive confirmation that the Company has complied with the principles of the 2018 Code.
- The Board has an Audit and Risk Management Committee comprising independent Directors.
- Detailed information on trainings for Directors is disclosed.
- During the financial year ended 31 December 2023 ("FY2023"), all Directors attended and actively participated in Board and Board Committee meetings.

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

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance.[1]

The Company has a Code of Conduct to set out the general principles and standards of behaviour that the Company expects from its employees in their dealings with fellow employees, customers, suppliers and business partners, which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Company. The details of the Code of Conduct are available on the Company's website.[2]

The Company has a Conflict of Interests and Interested Person Transaction Policy which, *inter alia*, aims to provide guidance to Directors to help them recognise and deal with conflict of interests. Under this policy, Directors should recuse themselves and refrain from participating in discussions regarding a transaction or proposed transaction in which the Director has an interest or is conflicted.[3] The details of the Conflict of Interests and Interested Person Transaction Policy are available on the Company's website.

Board Orientation and Development

Directors understand the Company's business as well as their directorship duties.[4]

The Company funds and arranges for the existing Directors to receive regular training, for Directors to develop and maintain their skills and knowledge. In this connection, during FY2023, various Directors attended seminars and courses organised by the Singapore Institute of Directors ("SID") and other professional organisations, including but not limited to "LEDM - Listed Entity Director Programme (Mandarin) – Core", "Audit and Risk Committee Seminar 2023" and "SID Director Conference 2023" organised by the SID, as well as the "ACMF-ISSB Joint Conference and Technical Training on the IFRS Sustainability Disclosure Standards" jointly organised by the ASEAN Capital Markets Forum and International Sustainability Standards Board. Updates on relevant legal, accounting and regulatory developments were provided to Directors in written hand-outs, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors.[5]

Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes.[6] On the appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director's duties and obligations.[7] During FY2023, Mr Kwik Sam Aik was appointed as an Independent Director with effect from 1 August 2023.

After FY2023, Mr Tan Kok Kwee was appointed as an Independent Director with effect from 1 February 2024.

1 Provision 1.1 of the 2018 Code
2 Provision 1.1 of the 2018 Code
3 Provision 1.1 of the 2018 Code
4 Provision 1.2 of the 2018 Code
5 Provision 1.2 of the 2018 Code
6 Provision 1.2 of the 2018 Code
7 Provision 1.2 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Board Approval

The Board decides on matters that require its approval. Written guidelines are established to specify which material transactions require the Board's approval, and such guidelines are clearly communicated to Management. These transactions include, *inter alia*, significant transactions (being the acquisition or disposal of assets or the provision of financial assistance (excluding the provision of financial assistance to the Company, or its subsidiary or associated company) amounting to 5% or more of the relative figures set out in Rule 1006 of the Listing Manual of the SGX-ST) that are not in the ordinary course of business, share issuances (including stock options or other equity awards), dividends and other corporate actions relating to capital and/or returns to shareholders.[8]

Board Committees

The Board has established board committees, which are the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee (collectively referred to as the "Board Committees"). Each Board Committee has its own written terms of references setting out its compositions, authorities and duties, including reporting back to the Board. The names of the Board Committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities are disclosed respectively in the sections headed "Board Membership", "Procedures for Developing Remuneration Policies" and "Audit Committee" below.[9]

Directors' Attendance at Board and Board Committee Meetings in FY2023

Directors attend and actively participate in Board and Board Committee meetings. The Board held meetings on a regular basis during FY2023 to review, *inter alia*, the Company's and the Group's operations and financial results. The number of such Board and Board Committee meetings and each individual Director's attendances at such meetings are disclosed on pages 27 and 28.[10] It is noted that all the Directors recorded a 100% attendance rate for all Board and Board Committee meetings during the year.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.[11] As disclosed on page 16, the Nominating Committee is satisfied that all Directors gave sufficient time and attention to the affairs of the Company and were able to and have adequately carried out their duties as a Director of the Company for FY2023.

Access to Information

To enable the Directors to make informed decisions and discharge their duties and responsibilities, Management provides the Board with complete, adequate and timely information prior to meetings and on an on-going basis, including reports of the performance, financial position and prospects of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, and these are reviewed by the Board at each Board meeting.[12] Monthly management accounts and financial reports of the Company and its key subsidiaries are also provided to the Directors. The Board has separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense,[13] and is free to request for additional information as needed to make informed decisions.

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.[14]

The role of the Company Secretary includes, *inter alia*, ensuring that board procedures are followed and that applicable rules and regulations are complied with.

During FY2023, the Company Secretary attended all meetings of the Board.

Overall, the Board's role is to:

(a) provide entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability;

(b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;

(c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Company performance;

8 Provision 1.3 of the 2018 Code
9 Provision 1.4 of the 2018 Code
10 Provision 1.5 of the 2018 Code
11 Provision 1.5 of the 2018 Code
12 Provision 1.6 of the 2018 Code
13 Provision 1.7 of the 2018 Code
14 Provision 1.7 of the 2018 Code

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2023

(d) constructively challenge Management and review its performance;

(e) instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and

(f) ensure transparency and accountability to key stakeholder groups.

Board Composition and Guidance (Principle 2 of the 2018 Code)

Key features of this section:

- During FY2023, the non-executive independent Directors, led by the independent Chairman, met regularly without the presence of Management.
- None of the Directors or Vice President (Accounts and Finance) have had an employment relationship with the current external auditor in the past 2 years.

Under Provision 2.1 of the 2018 Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations[15], its substantial shareholders[16] or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.[17]

Rule 210(5)(d) of the Listing Manual of the SGX-ST also sets out circumstances under which a director will not be independent. A director will not be considered independent if he/she is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, or if he/she has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Remuneration Committee. With effect from 11 January 2023, Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST further provides that a director will not be independent if he has been a director of the Company for an aggregate period of more than nine years (whether before or after listing) although such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

Mr Chan Pengee, Adrian was first appointed as a non-executive independent Director of the Company on 1 January 2015, and in addition, was appointed as the Chairman of the Board with effect from 1 March 2019. Mr Chan Pengee, Adrian has been a non-executive independent Director for an aggregate period of more than nine years. Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr Chan Pengee, Adrian will no longer be eligible to be designated as an independent director of the Company at the conclusion of the Company's annual general meeting to be held on 29 April 2024, after which the Board will re-designate him to be the non-executive non-independent Chairman.

The Chairman of the Board is Mr Chan Pengee, Adrian, and during FY2023, he was a non-executive independent Director. During the majority of FY2023, the Board comprised six members and an alternate Director. Out of the six Directors, three were independent, based on the provisions relating to independence as set out in the 2018 Code[18] and the Listing Manual of the SGX-ST.

Provision 2.3 of the 2018 Code provides that non-executive directors make up a majority of the Board. Principle 2 of the 2018 Code provides that 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. During FY2023, non-executive Directors made up half of the Board, which constitutes a variation from Provision 2.3 of the 2018 Code. The Company is of the view that the intent of Principle 2 was met, as during FY2023, the non-executive independent Directors made up half the Board and the Chairman of the Board was an independent Director. The non-executive independent Directors constructively challenged and helped Management develop proposals on business strategies for the Company and the Group. The non-executive independent Directors also reviewed the performance of Management in achieving agreed goals and objectives for the Company and the Group, and monitored the reporting of performance. During FY2023, all of the Company's non-executive Directors were independent Directors. Their views and opinions also provide different perspectives to the Group's business. After FY2023, with the appointment of Mr Tan Kok Kwee as a non-executive Independent Director with effect from 1 February 2024, non-executive directors made up a majority of the Board.

15 The term "related corporation", in relation to the company, has the same meaning as currently defined in the Companies Act 1967, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

16 A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act 2001.

17 Provision 2.1 of the 2018 Code

18 Provision 2.2 of the 2018 Code

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The Company is in compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, which requires the Board to have at least two non-executive directors who are independent and free of any material business or financial connection with the Company.[19]

The Company has a Board Diversity Policy to set out its approach to achieve diversity on the Board. In terms of the composition of the Board, the Company seeks to have a Board that comprises directors who as a group provide an appropriate balance and have diversity from a number of aspects, including gender, age, professional experience, skills and knowledge. Further details of the Board Diversity Policy are available on the Company's website.[20]

The Board is of the view that the size of the Board and the Board Committees is appropriate for the needs and demands of the Company's and the Group's operations. In terms of diversity, the Board comprises business leaders and professionals from different industries and financial backgrounds and the current Board comprises Directors who have diverse qualifications and backgrounds in areas such as law, banking, trusts, finance and business. The non-executive independent Directors have exposure to the business industry in which the Group operates. The Company aims to continue to strive towards achieving an appropriately diverse board, with the right mix of directors with a view to enhancing board effectiveness, including maintaining and increasing the levels of diversity across the different dimensions of gender, age, tenure, skills, knowledge, industry exposure, domain knowledge and international experience. [21]

The Board's composition enables Management to benefit from a diverse and objective external perspective on issues raised before the Board, and the Directors as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity.[22]

The Nominating Committee and Board also review and determine the targets, plans and timelines set for achieving each of the Board diversity aspects as well as progress being made thereof on an annual basis or as and when circumstances require.

In relation to diversity in terms of gender, in the Board Diversity Policy, the target is to have at least: (i) one female Director on the Board; and (ii) one female key management personnel (as defined in the 2018 Code). During FY2023, these targets were met as the Company had one female Director on the Board and three female key management personnel out of a total of seven key management personnel. Female Directors therefore represented approximately 17% of the total Board membership, and female key management personnel therefore represented approximately 43% of the total number of key management personnel.

In relation to diversity in terms of age, in the Board Diversity Policy, the target is to have the members of the Board being in at least two different age bands, with each band comprising ten years. During FY2023, this target was met, as two Directors were between the ages of 50 to 59, representing approximately 33% of the total Board membership, and one Director was between the ages of 60 to 69, representing approximately 17% of the total Board membership, and three Directors were between the ages of 70 to 79, representing approximately 50% of the total Board membership.

In relation to diversity in terms of tenure of the non-executive directors, in the Board Diversity Policy, the target is to have the non-executive Directors on the Board being in at least two different tenure bands, with each band comprising three years. During FY2023, this target was met, as two non-executive Directors had served for a duration of three years or less on the Board, representing approximately 67% of the total number of non-executive Directors, while one non-executive Director had served for a duration of between more than six years to a maximum of nine years on the Board, representing approximately 33% of the total number of non-executive Directors.

In relation to diversity in terms of involvement with the operations of the Group, in the Board Diversity Policy, the target is to have non-executive Directors make up a majority of the Board. During FY2023, this target was not met, as non-executive Directors made up only half of the Board. However, after FY2023, with the appointment of Mr Tan Kok Kwee as a non-executive Independent Director with effect from 1 February 2024, this target has been met as the Company has four non-executive Directors on the Board, out of a total of seven Directors, representing approximately 57% of the total number of Directors.

In terms of Board independence during FY2023, there were three non-executive independent Directors out of a total of six Directors (excluding the alternate Director), hence the independent Directors represented 50% of the total Board membership.

During FY2023, the non-executive independent Directors, led by the independent Chairman, met regularly without the presence of Management. The independent Chairman provided feedback to the Board as appropriate.[23]

[19] Provision 2.3 of the 2018 Code
[20] Provision 2.4 of the 2018 Code
[21] Rule 710A(2) of the Listing Manual of the SGX-ST
[22] Provision 2.4 of the 2018 Code
[23] Provision 2.5 of the 2018 Code

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None of the Directors or Vice President (Accounts and Finance) have had an employment relationship with the current external auditor in the past two years.

Chairman and Chief Executive Officer (Principle 3 of the 2018 Code)

Key feature of this section:
- The Joint Chief Executive Officers ("CEOs") are subject to retirement in accordance with the provisions of the Company's Constitution.

The Chairman and the Joint CEOs are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.[24] Mr Cheong Pin Chuan and Mr Cheong Sim Eng are the Joint CEOs of the Company. During FY2023, Mr Chan Pengee, Adrian was the independent Chairman of the Board. The Joint CEOs and the Chairman are not immediate family members.[25] As the Chairman was considered independent, no lead Independent Director was appointed.

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the Joint CEOs.[26]

Board Membership (Principle 4 of the 2018 Code)

Key features of this section:
- A comprehensive description of the assessment of independence of Directors is disclosed.
- An external search is done when appointing new Directors. Considerations, including searches conducted by external search consultants, for selection and identification of suitable candidates for Board membership are disclosed.
- Save for Mr Chan Pengee, Adrian who has, as of 1 January 2024, served on the Board for more than nine years since the date of his appointment (being 1 January 2015), none of the current independent Directors has served on the Board for more than nine years since the date of their appointment.
- All Directors (including the Joint CEOs and executive Directors) are subject to retirement in accordance with the provisions of the Company's Constitution.
- During FY2023, there were no instances of appointments or resignations of the executive Directors or Vice President (Accounts and Finance).
- During FY2023, there was a retirement of one independent Director and an appointment of one new independent Director. The detailed reasons for the retirement of the independent Director were set out in the announcement dated 14 August 2023, being that on his retirement, he had completed his 9-year tenure as an Independent Director with the Company and as part of the board renewal process, he had stepped down as a director of the Company. There were no unresolved differences in opinion on material matters between the independent Director and the Board including matters which would have a material impact on the Group or its financial reporting and no matters in relation to the retirement that needs to be brought to the attention of the shareholders of the Company highlighted in the announcement.
- During FY2023, there was no appointment of alternate independent Directors.

Nominating Committee

According to the written terms of reference of the nominating committee of the Company (the "Nominating Committee"), the Nominating Committee's duties and responsibilities include:[27]

(a) making recommendations to the Board on relevant matters relating to:

(i) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;[28]

(ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(iii) the review of training and professional development programmes for the Board and its Directors;

(iv) the appointment and re-appointment of Directors (including alternate directors, if any);

24 Provision 3.1 of the 2018 Code
25 Rule 1207(10A) of the Listing Manual of the SGX-ST
26 Provision 3.2 of the 2018 Code
27 Provision 4.1 of the 2018 Code
28 The term "key management personnel" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

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(b) determining annually, and as and when circumstances require, if a Director is independent, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual of the SGX-ST;

(c) prior to 1 January 2022, conducting a rigorous review of the independence of any Director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent;

(d) ensuring that new Directors are aware of their duties and obligations;

(e) considering, and if appropriate, establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments[29] for each Director (or type of Director) should be;

(f) without limiting the effect of sub-paragraph (a)(ii) above, recommending for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual Director to the Board, in order for the Board to undertake a formal annual assessment of the performance of the Board as a whole, each board committee and each individual Director;

(g) deciding whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, and where a Director holds a significant number of listed company directorships and principal commitments, assessing the ability of such a Director to diligently discharge his or her duties; and

(h) undertaking such other duties or functions as may be delegated by the Board or required by regulatory authorities.

The Nominating Committee comprises three Directors, all of whom are independent.[30] During FY2023, the members of the Nominating Committee were, from 1 January 2023 to 31 August 2023, Mr Chan Pengee, Adrian (Chairman of the Nominating Committee), Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe. With effect from 1 September 2023, Mr Lim Jun Xiong Steven stepped down from the Board and Mr Kwik Sam Aik was appointed as a member of the Nominating Committee in place of Mr Lim Jun Xiong Steven.

Nomination and Selection of Directors

All new appointments and selection of Directors are reviewed and proposed by the Nominating Committee. The Nominating Committee will first identify the knowledge, skills, experience and background of the candidate being considered for appointment to the Board. Suitable candidates for Board membership are then identified through, *inter alia*, recommendations from current Board members, searches conducted by external search consultants or the SID and other referrals. The Nominating Committee and the Board will interview short-listed candidates before discussing and approving the final appointment. For existing Directors who retire and stand for re-election, based on the evaluation of these Directors, the Nominating Committee will make recommendations for the re-nomination of such Directors.[31]

All Directors (including the Joint CEOs and executive Director) are subject to retirement in accordance with the provisions of the Company's Constitution whereby one-third of the Directors (or if their number is not three or a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation and subject themselves to re-election by shareholders at every annual general meeting of the Company.[32] Mr Cheong Pin Chuan and Ms Cheong Hooi Kheng will be retiring from office by rotation at the forthcoming annual general meeting under Regulation 104 of the Company's Constitution.

After assessing the contribution and performance of the retiring Directors, the Nominating Committee has recommended the re-election of Mr Cheong Pin Chuan and Ms Cheong Hooi Kheng, who will be retiring by rotation at the forthcoming annual general meeting under Regulation 104 of the Company's Constitution and Mr Kwik Sam Aik and Mr Tan Kok Kwee, who will be retiring under Regulation 114 of the Company's Constitution. Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng, Mr Kwik Sam Aik and Mr Tan Kok Kwee have offered themselves for re-election and the Board has accepted the recommendations of the Nominating Committee. Information relating to these Directors is set out on pages 3, 4, 28, 29 and 30, in accordance with Rule 720(6) of the Listing Manual of the SGX-ST.[33]

[29] The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.
[30] Provision 4.2 of the 2018 Code
[31] Provision 4.3 of the 2018 Code
[32] Provision 4.3 of the 2018 Code
[33] Provision 4.3 of the 2018 Code

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Continuous Review of Directors' Independence

The Nominating Committee determines annually, and as and when circumstances require, the independence of each independent Director, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code and the Listing Manual of the SGX-ST. The Nominating Committee requires each independent Director to complete and execute a form declaring and affirming his independence and confirming that there exist no conditions or relationships that would impair his independence. This declaration of independence is tabled before the Nominating Committee and, if accepted, the Director's independence is then recommended by the Nominating Committee to the Board.[34]

Taking into account the views of the Nominating Committee, the Board is satisfied that for FY2023, Mr Chan Pengee, Adrian, Mr Chong Weng Hoe and Mr Kwik Sam Aik were independent in light of the provisions of the 2018 Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST.[35]

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing) and such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. With the exception of Mr Chan Pengee, Adrian, none of the current independent Directors has served on the Board for more than nine years since the date of their appointment.

Mr Chan Pengee, Adrian was first appointed as a non-executive independent Director of the Company on 1 January 2015, and in addition, was appointed as the Chairman of the Board with effect from 1 March 2019. Mr Chan Pengee, Adrian has been a non-executive independent Director for an aggregate period of more than nine years. Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, Mr Chan Pengee, Adrian will no longer be eligible to be designated as an independent director of the Company at the conclusion of the Company's annual general meeting to be held on 29 April 2024, after which the Board will re-designate him to be the non-executive non-independent Chairman.

Directors' Time Commitments

The Nominating Committee ensures that new directors are aware of their duties and obligations.[36] Newly appointed Directors will receive appropriate training and orientation programmes to familiarise themselves with the operations of the Group and its major business processes.[37] On the appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director's duties and obligations.[38]

The Nominating Committee also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company.[39] As part of the assessment of the performance of each individual Director, there is consideration of whether sufficient time and attention has been given by the Director to the affairs of the Company. Taking into consideration the full attendance at all Board and Board Committee meetings, the Nominating Committee is satisfied that all Directors were able to and have adequately carried out their duties as a Director of the Company for FY2023.

The listed company directorships and principal commitments of each Director (except for Mr Lim Jun Xiong Steven who has stepped down from the Board) are disclosed on pages 3 and 4.[40]

The Nominating Committee has recommended and the Board has adopted a policy that a Director should not have in aggregate more than six listed company Board representations so as to be able to devote sufficient time and attention to the affairs of the Company. During FY2023, none of the Directors exceeded the limit on listed company Board representations.

Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Nominating Committee's activities be disclosed in the annual report. During FY2023, the Nominating Committee reviewed and recommended the re-nomination of Directors who were due for re-election by rotation under the Company's Constitution at the forthcoming annual general meeting, reviewed and determined the independence of the independent Directors, and decided whether the Directors were able to and have been adequately carrying out his or her duties as a director of the Company.[41]

Key information on the Directors, such as whether they are executive, non-executive, or considered by the Nominating Committee to be independent, as well as details of their academic and professional qualifications and other particulars are set out on pages 3, 4, 28, 29 and 30.

Mr Cheong Tze Hong, Marc has been appointed with effect from 22 January 2021 as alternate Director to Mr Cheong Pin Chuan, who is an Executive Director and the Joint CEO. During FY2023, there were no alternate directors to the independent Directors.

[34] Provision 4.4 of the 2018 Code
[35] Provision 4.4 of the 2018 Code
[36] Provision 4.5 of the 2018 Code
[37] Provision 4.5 of the 2018 Code
[38] Provision 4.5 of the 2018 Code
[39] Provision 4.5 of the 2018 Code
[40] Provision 4.5 of the 2018 Code
[41] Provision 1.4 of the 2018 Code

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Board Performance (Principle 5 of the 2018 Code)

The Board makes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors. The Nominating Committee recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.[42] Each Director submits an assessment of the Board and the Board Committees, and a peer assessment of each of the other Directors on the Board to assess the contributions by the Chairman and each individual Director to the effectiveness of the Board. These detailed forms assess Directors in various different areas and competencies, including their attendance and contributions at meetings, preparedness for meetings and their interactive and interpersonal skills. The responses are collated by the external Company Secretary and a consolidated report is submitted to the Board. The responses are then discussed by the Board.[43]

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies (Principle 6 of the 2018 Code)

Remuneration Committee

According to the written terms of reference of the remuneration committee of the Company (the "Remuneration Committee"), the Remuneration Committee's duties and responsibilities include:[44]

(a) reviewing and making recommendations to the Board on:

  (i) a framework of remuneration for the Board and key management personnel; and

  (ii) the specific remuneration packages for each Director as well as for the key management personnel,

  and in doing so the Remuneration Committee considers all aspects of remuneration, including termination terms (including retirement terms), to ensure they are fair;

(b) reviewing the Group's obligations in the event of termination (including retirement) of the employment of the Executive Directors of the Company and key management personnel of the Group;

(c) where an external remuneration consultant is appointed, reviewing whether the remuneration consultant has any relationship with the Group that could affect his or her independence and objectivity; and

(d) reviewing annually the remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during the year.

The Remuneration Committee comprises three Directors, all of whom are non-executive and independent.[45] During FY2023, the members of the Remuneration Committee were, from 1 January 2023 to 31 August 2023, Mr Chong Weng Hoe (Chairman of the Remuneration Committee), Mr Lim Jun Xiong Steven and Mr Chan Pengee, Adrian. With effect from 1 September 2023, Mr Lim Jun Xiong Steven stepped down from the Board, and Mr Kwik Sam Aik was appointed as a member of the Remuneration Committee in place of Mr Lim Jun Xiong Steven.

The Remuneration Committee considers all aspects of remuneration, including termination terms (including retirement terms), to ensure they are fair.[46] No Director or member of the Remuneration Committee is involved in deciding his or her own remuneration.

HR Guru Pte Ltd ("HR Guru") is the current remuneration consultant of the Company. The Group does not have any relationship with HR Guru that could affect HR Guru's independence and objectivity.[47]

The Remuneration Committee, with the advice of HR Guru, reviews and recommends to the Board specific remuneration packages appropriate for each executive Director and the Directors' fees payable to the non-executive independent Directors, as well as the specific remuneration packages for the key management personnel. The Board will then review and, if it deems fit, approve these accordingly.

[42] Provision 5.1 of the 2018 Code
[43] Provision 5.2 of the 2018 Code
[44] Provision 6.1 of the 2018 Code
[45] Provision 6.2 of the 2018 Code
[46] Provision 6.3 of the 2018 Code
[47] Provision 6.4 of the 2018 Code

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Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Remuneration Committee's activities be disclosed in the annual report. During FY2023, the Remuneration Committee reviewed and recommended the remuneration of the executive Directors and key management personnel, recommended the non-executive independent Directors' fees for FY2023 and recommended the appointment of HR Guru as the Company's remuneration consultant.[48]

Level and Mix of Remuneration (Principle 7 of the 2018 Code)
The remuneration of executive Directors (including the Joint CEOs) and key management personnel comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and each individual's performance.[49] A significant and appropriate proportion of executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. The corporate and individual performance-related elements of remuneration are designed to align the interests of executive Directors and key management personnel with those of shareholders and other stakeholders and to promote the long-term success of the Company.[50]

In reviewing the remuneration of non-executive independent Directors, the Remuneration Committee and HR Guru have taken into consideration the knowledge and expertise of each individual non-executive independent Director, the responsibilities vested upon them and the effort and time commitment required from the non-executive independent Directors given the complexities of the business and the business structure.[51] This is to ensure that the remuneration of non-executive independent Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The remuneration packages are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.[52]

Disclosure on Remuneration (Principle 8 of the 2018 Code)

Key feature of this section:
- The Company does not have any employee share option scheme and does not issue share options to independent Directors.

The Group's remuneration policy is to provide remuneration packages which are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.[53]

The Group adopts a remuneration policy[54] for executive Directors (including the Joint CEOs) and key management personnel comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Group and every individual's performance, which is based on the criteria of the respective key performance indicators allocated to the individual. The key performance indicators include the Group's profitability and other financial and operational indicators as determined by the Board. Staff appraisals are conducted once a year. The executive Directors do not receive Directors' fees, and their bonus is measured against the net profit/(loss) after tax of the Group over a multiple year period. The executive Directors and key management personnel had met their respective key performance indicators in respect of FY2023.

The Group adopts a remuneration policy for non-executive independent Directors, which takes into consideration the knowledge and expertise of each individual non-executive independent Director, the responsibilities vested upon them and the effort and time commitment required from the non-executive independent Directors given the complexities of the business and the business structure.[55]

[48] Provision 1.4 of the 2018 Code
[49] Provision 7.1 of the 2018 Code
[50] Provision 7.1 of the 2018 Code
[51] Provision 7.2 of the 2018 Code
[52] Provision 7.3 of the 2018 Code
[53] Provision 8.1 of the 2018 Code
[54] Provision 8.1 of the 2018 Code
[55] Provision 8.1 of the 2018 Code

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The names, amounts and breakdown of remuneration of each non-executive independent Director during FY2023 are disclosed below.[56]

Name of Non-executive Independent Director	Salary $	Fees $	Bonus $	Other Benefits[57] $
Mr Chan Pengee, Adrian	–	158,000	–	–
Mr Lim Jun Xiong Steven[(1)]	–	72,667	–	–
Mr Chong Weng Hoe	–	109,000	–	–
Mr Kwik Sam Aik[(2)]	–	40,501	–	–

(1) Mr Lim Jun Xiong Steven stepped down from the Board on 1 September 2023. He also relinquished his positions as the Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and Remuneration Committee.

(2) Mr Kwik Sam Aik was appointed as a Director with effect from 1 August 2023, and Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and Remuneration Committee with effect from 1 September 2023.

The structure of the fees paid or payable to non-executive independent Directors of the Company for FY2023 is as follows:

Type of Appointment	Fee Per Annum ($)
Board Chairman	50,000
Board of Directors	
Basic retainer	50,000
Audit and Risk Management Committee	
Chairman	32,000
Member	18,000
Nominating Committee	
Chairman	26,000
Member	13,000
Remuneration Committee	
Chairman	28,000
Member	14,000

Provision 8.1 of the 2018 Code provides, *inter alia*, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report. Principle 8 of the 2018 Code states that 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. For FY2023, the Company wishes to disclose the remuneration of the executive Director and the Joint CEOs in bands of $250,000, which constitutes a variation from Provision 8.1 of the 2018 Code. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the executive Director and the Joint CEOs are described above, and the level and mix of remuneration is disclosed in the table below.[58] Moreover, the Remuneration Committee and the Board are of the opinion that the remuneration packages of the executive Director and Joint CEOs are of a confidential and sensitive nature, the disclosure of which would place the Group in a competitively disadvantageous position, and hence have chosen to make disclosures in relation thereto in bands of $250,000.

Remuneration Band Name of Executive Director	Salary %	Fees %	Bonus %	Other Benefits[59] %	Total %
$3,500,000 to $3,749,999					
Ms Cheong Hooi Kheng[(1)]	39	–	58	3	100
$3,750,000 to $4,749,999					
–	–	–	–	–	–
$4,750,000 to $4,999,999					
Mr Cheong Pin Chuan[(1)]	30	–	57	13	100
$5,000,000 to $5,249,999					
Mr Cheong Sim Eng[(1)]	45	–	50	5	100

(1) The remuneration reflected in this table includes the remuneration given by those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, aggregated together with the remuneration given by the Company.

56 Provision 8.1(a) of the 2018 Code
57 There are no termination, retirement and post-employment benefits granted to non-executive independent Directors.
58 Provision 8.1(a) of the 2018 Code
59 There are no termination, retirement and post-employment benefits granted to Directors or the CEO.

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The names, amounts (in bands no wider than $250,000) and the breakdown of the remuneration of the top eight key management personnel who are not Directors or the CEO for FY2023 are set out below.[60]

Remuneration Band Name and Designation of Executive	Salary %	Fees %	Bonus %	Other Benefits[61] %	Total %
Below $250,000					
Mr Ng Sai Kian: Vice President (Property Management)	76	–	19	5	100
Ms Charmaine Low: Vice President (Marketing)	77	–	20	3	100
$250,000 to $499,999					
Ms Koh Chay Tiang: Vice President (Accounts and Finance)/Company Secretary	80	–	20	–	100
Mr Jimmy Yeo: Vice President (Marketing)	14	–	–	86[62]	100
Mr Tsui Yeung Kun: Director – Business Development of Hong Fok Land International Limited ("HFLIL")[63]	66	–	7	27	100
$500,000 to $749,999					
Mr Cheong Tze Hian, Howard: Director – Project Development of HFLIL[63]	42	–	4	54	100
Mr Cheong Tze Hong, Marc: Director – Finance Division of HFLIL[63]	49	–	4	47	100
$750,000 to $999,999					
–	–	–	–	–	–
$1,000,000 to $1,249,999					
Ms Cheong Puay Kheng: Senior Vice President (Corporate Services)[63]	82	–	15	3	100

The aggregate amount of the total remuneration paid to the above eight key management personnel was approximately $4,066,000.[64]

Certain employees, namely, (a) Ms Cheong Puay Kheng, (b) Mr Cheong Tze Hong, Marc, (c) Mr Cheong Tze Hian, Howard, were employees of the Group and subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements, whose remuneration exceeded $100,000 each during the financial year who are immediate family members of certain persons who are Directors, the Joint CEOs and certain substantial shareholders of the Company. These persons are Ms Cheong Hooi Kheng (a Director of the Company for FY2023), Mr Cheong Pin Chuan and Mr Cheong Sim Eng (Directors, Joint CEOs and substantial shareholders of the Company for FY2023) and Mr Cheong Kim Pong (a substantial shareholder of the Company for FY2023). Ms Cheong Puay Kheng is a sibling of Ms Cheong Hooi Kheng, Mr Cheong Pin Chuan, Mr Cheong Sim Eng and Mr Cheong Kim Pong. Mr Cheong Tze Hong, Marc and Mr Cheong Tze Hian, Howard, are the sons of Mr Cheong Pin Chuan and the nephews of Ms Cheong Hooi Kheng, Mr Cheong Sim Eng and Mr Cheong Kim Pong. In addition, for FY2023, Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng and Mr Cheong Sim Eng, who are siblings, were employees of the Group.[65]

Provision 8.2 of the 2018 Code provides, *inter alia*, that the company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000, in its annual report. Principle 8 of the 2018 Code states that 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. For FY2023, the Company wishes to disclose the remuneration of the employees who were substantial shareholders of the Company, or were immediate family members of a Director, the Joint CEOs or a substantial shareholder of the Company, and whose remuneration exceeded $100,000 during the year, in bands of $250,000, as opposed to bands of $100,000, which constitutes a variation from Provision 8.2 of the 2018 Code. The Company is of the view that the intent of Principle 8 of the 2018 Code was met, as the remuneration policies and the procedure for setting remuneration applicable to the key management personnel of the Company are described above, and the level and mix of remuneration is disclosed in the table above. Moreover, the employees are in senior positions and considered as key management personnel, hence the disclosure made in bands of $250,000 would be meaningful to investors as to the level of remuneration paid to these employees. In addition, the Company believes that the disclosure of the detailed remuneration packages of employees, including those who are substantial shareholders of the Company, or are immediate family members of a Director, the Joint CEOs or a substantial shareholder of the Company would be prejudicial to the Company's interests and hamper its ability to retain and nurture the Group's talent pool and hence have chosen to make disclosures in relation thereto in bands of $250,000 (instead of in incremental bands of $100,000).

60 Provision 8.1(b) of the 2018 Code
61 There are no termination, retirement and post-employment benefits granted to the key management personnel, except for the retirement benefits of approximately $409,000 paid to Mr Jimmy Yeo, who stepped down from his position as Vice President (Marketing) on 31 March 2023.
62 This includes retirement benefits of approximately $409,000.
63 The accounts of the HFLIL Group have been consolidated into the accounts of the Group for FY2023 for accounting purposes.
64 Provision 8.1(b) of the 2018 Code
65 Provision 8.2 of the 2018 Code

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Information of the key executive officers is set out on page 5.

All forms of remuneration and other payments and benefits (if any), paid by the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements to Directors and key management personnel of the Company are disclosed in the tables above.[66] The Company does not have any employee share option scheme.[67]

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls (Principle 9 of the 2018 Code)

Key feature of this section:
- The Company has an Enterprise Risk Management framework.

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The duties and responsibilities of the audit and risk management committee of the Company (the "Audit and Risk Management Committee") include specifically addressing these issues.[68] The Group has an Enterprise Risk Management ("ERM") framework to enable the Group to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks, including strategic, financial, operational, compliance and information technology controls. To promote risk awareness among employees at all levels, the Group has put in place an ERM policy that elaborates on the ERM framework, process and governance.

The Board requires and has received assurance from:

(a) the Joint CEOs and the Vice President (Accounts and Finance) that the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements; and

(b) the Joint CEOs and the Vice President (Accounts and Finance) regarding the adequacy and effectiveness of the risk management and internal controls systems of the Group and those subsidiary companies or subsidiary corporations whose financial statements are consolidated with the Company's financial statements.[69]

Audit Committee (Principle 10 of the 2018 Code)

Key features of this section:
- In respect of the earnings of the Group as set out in the financial result announcement for FY2023, there was no earning restatement made by the Company in the audited consolidated financial statements set out in this annual report.
- The non-audit fees do not exceed the audit fees paid to the auditors.

According to the written terms of reference of the Audit and Risk Management Committee, the Audit and Risk Management Committee's duties and responsibilities include:[70]

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

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

(e) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external audit;

(f) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

66 Provision 8.3 of the 2018 Code
67 Provision 8.3 of the 2018 Code
68 Provision 9.1 of the 2018 Code
69 Provision 9.2 of the 2018 Code
70 Provision 10.1 of the 2018 Code

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

(h) deciding on the appointment, termination and remuneration of the head of the internal audit function, as the primary reporting line of the internal audit function is to the Audit and Risk Management Committee;

(i) meeting with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually;

(j) reviewing and recommending the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;

(k) reviewing any matters relating to suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the Company's or Group's operating results and/or financial position, and the findings of any internal investigations, and Management's response thereto, discussing such matters with the external auditor and, at an appropriate time, reporting the matter to the Board;

(l) carrying out the functions set out in Section 201B of the Companies Act 1967;

(m) with reference to the Practice Guidance, having explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions; and

(n) reporting to the Board the significant issues and judgements that the Audit and Risk Management Committee considered in relation to the financial statements, and how these issues were addressed.

The Company has in place a Whistle-blowing Policy which sets out the procedures for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers.[71] Under the Whistle-blowing Policy, it is provided, *inter alia*, that (a) the Company has designated the Audit and Risk Management Committee to act as an independent function to investigate whistle-blowing reports made in good faith;[72] (b) the Company will ensure that the identity of the whistle-blower will be kept confidential, unless it is required, *inter alia*, by law to do otherwise;[73] (c) the Company is committed to ensure that employees will be protected against detrimental or unfair treatment or reprisal for whistle-blowing in good faith;[74] and (d) the Audit and Risk Management Committee is responsible for the oversight and monitoring of the procedures for a whistle-blower to make complaints and for the investigation of complaints, including the execution and review of the Whistle-blowing Policy.[75]

The Whistle-blowing Policy has a well-defined process which begins with a complaint being submitted via email to the Chairman of the Audit and Risk Management Committee, who will then perform a preliminary review of the complaint received. If he determines that the complaint is valid and within the scope of the Whistle-blowing Policy, he will report it to the Audit and Risk Management Committee accordingly, which will review the facts of the complaint and follow-up with the appropriate course of action. Anonymous complaints are not disregarded and will also be investigated. There have been no incidents reported or complaints submitted pertaining to whistle-blowing for FY2023. The details of the Whistle-blowing Policy are available on the Company's website.

The Audit and Risk Management Committee comprises three Directors, all of whom are non-executive and independent. During FY2023, the members of the Audit and Risk Management Committee were, from 1 January 2023 to 31 August 2023, Mr Lim Jun Xiong Steven (Chairman of the Audit and Risk Management Committee), Mr Chan Pengee, Adrian and Mr Chong Weng Hoe. With effect from 1 September 2023, Mr Lim Jun Xiong Steven stepped down from the Board, and Mr Kwik Sam Aik was appointed as the Chairman of the Audit and Risk Management Committee in place of Mr Lim Jun Xiong Steven.

At least two of the members of the Audit and Risk Management Committee (including the Chairman) have recent and relevant accounting or related financial management expertise or experience.[76]

[71] Rule 1207(18A) of the Listing Manual of the SGX-ST
[72] Rule 1207(18B)(a) of the Listing Manual of the SGX-ST
[73] Rule 1207(18B)(b) of the Listing Manual of the SGX-ST
[74] Rule 1207(18B)(c) of the Listing Manual of the SGX-ST
[75] Rule 1207(18B)(d) of the Listing Manual of the SGX-ST
[76] Provision 10.2 of the 2018 Code

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The Audit and Risk Management Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation.[77]

To enable the Audit and Risk Management Committee to discharge its functions more effectively, for FY2023, the Company had appointed RSM Risk Advisory Pte Ltd, an accounting firm which is not the external auditors, to carry out its internal audit function. The internal audit was carried out in accordance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, which is a standard set by nationally or internationally recognised professional bodies. The internal audit process includes, *inter alia*, the identification of key risk areas and a consideration of the controls managing such risks.

The primary reporting line of the internal audit function is to the Audit and Risk Management Committee, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the Audit and Risk Management Committee, and has appropriate standing within the Company.[78]

The Company's external auditors are KPMG LLP (an accounting firm registered with the ACRA). During FY2023, the Audit and Risk Management Committee met with the external auditors, and with the internal auditors, in each case without the presence of Management.[79]

The Audit and Risk Management Committee was satisfied that the Company's external auditors and the audit engagement partner assigned to the audit had adequate resources and experience to meet its audit obligations. In this connection, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST.[80]

The audit and non-audit fees paid/payable to auditors are stated in Note 24 (Profit/(Loss) Before Tax) to the Financial Statements.[81] The non-audit fees do not exceed 50% of the audit fees paid to the auditors.

The Audit and Risk Management Committee undertook a review of all the non-audit services provided by the Company's external auditors to the Company and the Group, and was satisfied that the nature and extent of such services would not impair the independence of the external auditors.[82] Hence, the Audit and Risk Management Committee has recommended to the Board that the auditors, KPMG LLP, be nominated for re-appointment as the Company's external auditors at the forthcoming annual general meeting of the Company.

The Board and the Audit and Risk Management Committee reviewed the appointment of different auditors for its subsidiaries and significant associates, and were satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company has complied with Rule 716 of the Listing Manual of the SGX-ST.[83]

The Board oversees Management in the design, implementation and monitoring of the risk management and internal controls systems, but recognises that no cost effective internal controls and risk management systems will preclude all errors and irregularities, as the systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Directors regularly review the effectiveness and adequacy of all internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

Based on the work carried out by the internal auditors, the external auditors and the existing management controls in place, the Board was satisfied that there were adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The Audit and Risk Management Committee concurs with the Board's comment. The Board, together with the Audit and Risk Management Committee and Management, will continue to enhance and improve the existing internal controls framework to identify and mitigate these risks.[84] There were no material weaknesses identified by the Board or the Audit and Risk Management Committee.

The Audit and Risk Management Committee was satisfied that the internal audit function is independent, effective and adequately resourced.[85]

[77] Provision 10.3 of the 2018 Code
[78] Provision 10.4 of the 2018 Code
[79] Provision 10.5 of the 2018 Code
[80] Rule 712 of the Listing Manual of the SGX-ST
[81] Rule 1207(6)(a) of the Listing Manual of the SGX-ST
[82] Rule 1207(6)(b) of the Listing Manual of the SGX-ST
[83] Rule 1207(6)(c) of the Listing Manual of the SGX-ST
[84] Rule 1207(10) of the Listing Manual of the SGX-ST
[85] Rule 1207(10C) of the Listing Manual of the SGX-ST

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Provision 1.4 of the 2018 Code recommends, *inter alia*, that a summary of the Audit and Risk Management Committee's activities be disclosed in the annual report. The Audit and Risk Management Committee performs the functions specified in Section 201B of the Companies Act 1967, the Listing Manual of the SGX-ST and the 2018 Code. The Audit and Risk Management Committee met four times during FY2023. The Audit and Risk Management Committee reviewed and approved the internal audit plan for execution. The Audit and Risk Management Committee also met with Management, the Vice President (Accounts and Finance) and external auditors to discuss and keep abreast of any changes to the accounting standards and issues which could have a direct impact on the Company's or the Group's financial statements.[86]

In FY2023, the Group with the assistance of its internal auditors carried out an exercise to review the Group's risk register which identified the key risks facing the Group and the internal controls and risk management systems in place to manage or mitigate those risks. Internal and external auditors conducted audits that involve testing the effectiveness of the material internal controls systems in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors were reported to the Audit and Risk Management Committee. The Audit and Risk Management Committee also reviewed the effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors. The systems of internal controls and risk management are continually being refined by Management, the Audit and Risk Management Committee and the Board.

The Company has an Anti-corruption and Anti-money Laundering Policy to demonstrate its commitment to conducting its business with integrity, and in compliance with all applicable laws and regulations relating to the prevention of corruption, bribery, money laundering and terrorism financing. The details of the Anti-corruption and Anti-money Laundering Policy are available on the Company's website.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings (Principle 11 of the 2018 Code)

Key feature of this section:
- All Directors of the Company attended the latest annual general meeting.

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.[87]

Generally, at general meetings of the Company, shareholders have the opportunity to vote in person or by proxy, would be informed of the voting procedures, and would be given an opportunity to air their views and ask questions regarding the Company and the Group. However, the annual general meeting of the Company held in respect of the financial year ended 31 December 2022 ("FY2022") was held on 28 April 2023 by way of electronic means and shareholders were not able to attend the annual general meeting in person. Shareholders were able to participate effectively in and vote at the annual general meeting held in respect of FY2022 by way of electronic means by accessing a live webcast or live audio feed. Shareholders who wished to vote on any or all of the resolutions of the annual general meeting could vote "live" via electronic means at the annual general meeting or by appointing proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting. Shareholders could also submit questions related to the resolutions that were tabled at the annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting and the responses to such questions, and to the questions from the Securities Investors Association (Singapore), were announced via the SGXNet on 21 April 2023 prior to the annual general meeting. Shareholders could also ask questions related to the agenda of the annual general meeting by submitting them through the Live Q&A tab or Live Webcast webpage during the annual general meeting. The Company had set out detailed information on the above alternative arrangements in the Notice of AGM dated 6 April 2023 on the SGXNet.

The forthcoming annual general meeting of the Company to be held in respect of FY2023 will be held, in a wholly physical format, in Singapore at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558. Shareholders may continue to: (i) appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting, if they are unable to vote in person; and (ii) submit questions related to the resolutions to be tabled at the forthcoming annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting.

[86] Provision 1.4 of the 2018 Code
[87] Provision 11.1 of the 2018 Code

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The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.[88] All resolutions at the annual general meeting are put to the vote by way of poll and the detailed results of the voting for each of the resolutions are announced on the SGX-ST.

All Directors and Management attend the general meetings of shareholders to address any questions that the shareholders may have. The external auditors of the Company are also present at annual general meetings to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.[89] During FY2023, all Directors attended the annual general meeting of the Company, which was held by way of electronic means and was the only general meeting held during the financial year.

Provision 11.4 of the 2018 Code provides that the company's constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. Principle 11 of the 2018 Code provides, *inter alia*, that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. Voting in absentia by mail, facsimile or email, is currently not permitted by the Company's Constitution, which constitutes a variation from Provision 11.4 of the 2018 Code. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. Moreover, to allow voting in absentia by mail, facsimile or email would require careful consideration of various factors, including the integrity of information and authentication of the identity of shareholders.[90] The Company will take into account any measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.[91]

The Company has a Dividend Policy, pursuant to which the dividend policy is to distribute dividends based on the Company's performance, taking into consideration the resources needed for the Company's continuing operations and possible future plans. The declaration and payment of any dividends will be recommended by the Directors and the final dividend (if any) will be subject to the approval of the shareholders. The Company seeks to maximise shareholder value and encourage shareholder loyalty by providing consistent and sustainable ordinary dividend payments to its shareholders on an annual basis. The details of the Dividend Policy are available on the Company's website.[92]

Engagement with Shareholders (Principle 12 of the 2018 Code)

Key feature of this section:
- During FY2023, the Company did not have any investor relations issues.

The Company believes in regular, effective and fair communication with the shareholders. The Company's website is at www.hongfok.com.sg. The Company's latest annual reports, financial results, corporate announcements and share trading information are available on the Company's website. The Company also provides an email alert service so that shareholders and investors may be automatically alerted by email once the Company releases any announcements or filings on the SGX-ST. The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company and the Group are made to the shareholders. Any such information, should they arise, are communicated to the shareholders through the Company's annual reports and announcements to the SGX-ST.

The Company also 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 Company provides avenues for communication between the Board and all shareholders.[93] To allow the Board to solicit and understand the views of shareholders, shareholders are encouraged to attend the annual general meetings and extraordinary general meetings of the Company to ensure a high level of accountability and to stay appraised of the Group's strategy and goals.

[88] Provision 11.2 of the 2018 Code
[89] Provision 11.3 of the 2018 Code
[90] Provision 11.4 of the 2018 Code
[91] Provision 11.5 of the 2018 Code
[92] Provision 11.6 of the 2018 Code
[93] Provision 12.1 of the 2018 Code

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Generally, at general meetings of the Company, shareholders have the opportunity to vote in person or by proxy, would be informed of the voting procedures, and would be given an opportunity to air their views and ask questions regarding the Company and the Group. However, the annual general meeting of the Company held in respect of FY2022 was held on 28 April 2023 by way of electronic means and shareholders were not able to attend the annual general meeting in person. Shareholders were able to participate effectively in and vote at the annual general meeting by way of electronic means by accessing a live webcast or live audio feed. Shareholders who wished to vote on any or all of the resolutions of the annual general meeting could vote "live" via electronic means at the annual general meeting or by appointing proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting. Shareholders could also submit questions related to the resolutions that were tabled at the annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting and the responses to such questions were announced via the SGXNet on 21 April 2023 prior to the annual general meeting. Shareholders could also ask questions related to the agenda of the annual general meeting by submitting them through the Live Q&A tab or Live Webcast webpage during the annual general meeting. The Company had set out detailed information on the above alternative arrangements in the Notice of AGM dated 6 April 2023 on the SGXNet.

As set out in Practice Note 7.5 (General Meetings) of the Listing Manual of the SGX-ST which came into effect on 1 July 2023, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation, an issuer primary-listed on the SGX-ST shall hold its general meeting either: (a) at a physical place in Singapore; or (b) at a physical place in Singapore and using technology that allows a person to participate in a meeting without being physically present at the place of meeting. Accordingly, the forthcoming annual general meeting of the Company to be held in respect of FY2023 will be held in a wholly physical format in Singapore at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558. Shareholders may continue to: (i) appoint proxy/proxies or the Chairman of the annual general meeting to vote on their behalf at the annual general meeting, if they are unable to vote in person; and (ii) submit questions related to the resolutions to be tabled at the forthcoming annual general meeting in advance of the lodgement of the proxy forms for the annual general meeting.

The Company has an Investor Relations Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.[94] The Investor Relations Policy sets out a mechanism, being the email address of ir@hongfok.com.sg, through which shareholders may contact the Company with questions and through which the Company may respond to such questions.[95] The details of the Investor Relations Policy are available on the Company's website.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders (Principle 13 of the 2018 Code)

Key features of this section:

- The Company adopts a Best Practices Guide which provides as a policy to prevent non-executive independent Directors from selling securities (including stock) of the Company prior to leaving the Company.
- The Company publishes a Sustainability Report annually.
- Information of each Director, including their academic and professional qualifications, date of first appointment and last re-election, is disclosed.
- During FY2023, there were no profit warning announcements made by the Company.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.[96]

Details of the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2023 are set out on pages 39 and 40 in the Company's Sustainability Report.[97]

The Company maintains a current corporate website to communicate and engage with stakeholders. The Company's website is at www.hongfok.com.sg.[98]

INTERESTED PERSON TRANSACTIONS

During FY2023, there were no interested person transactions (excluding transactions less than $100,000) entered into by the Group. The Company does not have a shareholders' mandate for interested person transactions ("IPTs") pursuant to Rule 920 of the Listing Manual of the SGX-ST.

94 Provision 12.2 of the 2018 Code
95 Provision 12.3 of the 2018 Code
96 Provision 13.1 of the 2018 Code
97 Provision 13.2 of the 2018 Code
98 Provision 13.3 of the 2018 Code

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The Company has a Conflict of Interests and Interested Person Transaction Policy which, *inter alia*, aims to set out the Company's internal procedures and guidelines to identify, report and where necessary, seek appropriate approval of IPTs in order to comply with the Listing Manual of the SGX-ST. This policy requires the personnel involved in the proposed IPTs to endeavour to ensure that the IPTs are conducted fairly, on an arm's length basis, on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders. The details of the Conflict of Interests and Interested Person Transaction Policy are available on the Company's website.

MATERIAL CONTRACTS

Save for the IPTs disclosed in Note 31 (Related Parties) to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Joint CEOs, each Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

SECURITIES TRANSACTIONS

The Company has adopted the Hong Fok Corporation Limited Best Practices Guide (Dealings in Company's Securities) (the "Guide"). The Guide sets out, *inter alia*, the restrictions on insider trading under the Securities and Futures Act 2001, the implications of insider trading as well as guidelines on dealings in securities. In addition, the Guide further elaborates that an officer of the Company should not deal in the securities of the Company on short-term considerations and the Company and its officers should not deal in the securities of the Company during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results.

The Guide also provides as a policy that non-executive independent Directors should not sell securities of the Company prior to leaving the Company if they hold any such securities of the Company.

The details of the Guide are available on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

In the introduction to the 2018 Code, it is stated that companies that embrace the tenets of good governance, including accountability, transparency and sustainability, are more likely to engender investor confidence and achieve long-term sustainable business performance.

Details of the Group's sustainability practices, including the corporate social responsibility initiatives during FY2023, are set out in the Company's Sustainability Report.

DIRECTORS' ATTENDANCE AT BOARD, AUDIT AND RISK MANAGEMENT COMMITTEE, NOMINATING COMMITTEE AND REMUNERATION COMMITTEE MEETINGS FOR FY2023

	Board		Audit and Risk Management Committee	
	No. of Meetings[1]	Attendance	No. of Meetings[1]	Attendance
Executive Directors				
Mr Cheong Pin Chuan[2]	2	2	N.A.	N.A.
Mr Cheong Sim Eng	2	2	N.A.	N.A.
Ms Cheong Hooi Kheng	2	2	N.A.	N.A.
Non-executive Independent Directors				
Mr Chan Pengee, Adrian	2	2	4	4
Mr Chong Weng Hoe	2	2	4	4
Mr Kwik Sam Aik[3]	2	1	N.A.	N.A.
Mr Lim Jun Xiong Steven[4]	2	2	4	4

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	Nominating Committee		Remuneration Committee	
	No. of Meetings[1]	Attendance	No. of Meetings[1]	Attendance
Non-executive Independent Directors				
Mr Chan Pengee, Adrian	1	1	1	1
Mr Chong Weng Hoe	1	1	1	1
Mr Kwik Sam Aik[3]	N.A.	N.A.	N.A.	N.A.
Mr Lim Jun Xiong Steven[4]	1	1	1	1

(1) This refers to the number of meetings held during FY2023. In addition to these meetings, operational matters that require the Board or Audit and Risk Management Committee, Nominating Committee or Remuneration Committee's attention are also dealt with via circular resolutions.

(2) Mr Cheong Pin Chuan, who is working in Hong Kong, generally participates in meetings via videoconference.

(3) Mr Kwik Sam Aik was appointed as an Independent Director with effect from 1 August 2023, and as Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and Remuneration Committee with effect from 1 September 2023. Mr Kwik Sam Aik, who is working in Hong Kong, generally participates in meetings via videoconference.

(4) Mr Lim Jun Xiong Steven stepped down from the Board on 1 September 2023. He also relinquished his positions as the Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and Remuneration Committee.

N.A.: Not applicable

CURRENT INFORMATION OF THE DIRECTORS

Name of Director	Age	Academic and Professional Qualifications	Board Committees Served on as Chairman or Member	Directorship: Date First Appointed	Directorship: Date Last Re-elected
Mr Cheong Pin Chuan	74	Graduate of the Footscray Institute of Technology in Australia Member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants	–	26 July 1971	27 April 2022
Mr Cheong Sim Eng	63	Bachelor of Arts	–	14 May 1990	28 April 2023
Ms Cheong Hooi Kheng	71	Bachelor of Science Master of Business Administration	–	1 March 1989	27 April 2022
Mr Chan Pengee, Adrian	59	Bachelor of Laws Member of the Singapore Academy of Law	Chairman of Nominating Committee and member of Audit and Risk Management Committee and Remuneration Committee	1 January 2015	28 April 2023
Mr Chong Weng Hoe	59	Bachelor of Engineering (Electrical and Electronics) Master of Business Administration (Accountancy)	Chairman of Remuneration Committee, and member of Audit and Risk Management Committee and Nominating Committee	15 February 2022	27 April 2022
Mr Kwik Sam Aik	72	Bachelor of Accountancy	Chairman of Audit and Risk Management Committee and member of Nominating Committee and Remuneration Committee	1 August 2023	Not Applicable

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Name of Director	Age	Academic and Professional Qualifications	Board Committees Served on as Chairman or Member	Directorship: Date First Appointed	Directorship: Date Last Re-elected
Mr Tan Kok Kwee	64	Bachelor of Business Administration	–	1 February 2024	Not Applicable
Mr Cheong Tze Hong, Marc (Alternate Director to Mr Cheong Pin Chuan)	51	Bachelor of Science Degree in Accounting Master of Business Administration	–	22 January 2021	Not Applicable

ADDITIONAL INFORMATION RELATING TO DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED TO THE BOARD

Name of Director	Country of Principal Residence	Any Relationship (including Immediate Family Relationships) with any Existing Director, Existing Executive Officer, the Issuer and/or Substantial Shareholder of the Listed Issuer or of any of its Principal Subsidiaries	Conflict of Interest (including any Competing Business)	Undertaking (in the Format set out in Appendix 7.7) under Rule 720(1)
Mr Cheong Pin Chuan	Hong Kong Special Administrative Region	Brother of Mr Cheong Sim Eng, who is a Director and Substantial Shareholder of the Company. Brother of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company. Brother of Ms Cheong Hooi Kheng, who is a Director of the Company. Brother of Ms Cheong Puay Kheng, who is a key executive officer of the Company and HFLIL, which is also a Substantial Shareholder of the Company. Father of Mr Cheong Tze Hong, Marc, who is an Alternate Director to Mr Cheong Pin Chuan and a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company. Father of Mr Cheong Tze Hian, Howard, who is a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company. Director of HFLIL, which is also a Substantial Shareholder of the Company, immediate family members of shareholders of HFLIL holding approximately 2.5% of the shares in HFLIL and immediate family member of director of HFLIL.	No	Submitted to the Company

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Name of Director	Country of Principal Residence	Any Relationship (including Immediate Family Relationships) with any Existing Director, Existing Executive Officer, the Issuer and/or Substantial Shareholder of the Listed Issuer or of any of its Principal Subsidiaries	Conflict of Interest (including any Competing Business)	Undertaking (in the Format set out in Appendix 7.7) under Rule 720(1)
Ms Cheong Hooi Kheng	Singapore	Sister of Mr Cheong Pin Chuan and Mr Cheong Sim Eng, who are the Directors and Substantial Shareholders of the Company. Sister of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company. Sister of Ms Cheong Puay Kheng, who is a key executive officer of the Company and HFLIL, which is also a Substantial Shareholder of the Company. Aunt of Mr Cheong Tze Hong, Marc, who is an Alternate Director to Mr Cheong Pin Chuan and a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company. Aunt of Mr Cheong Tze Hian, Howard, who is a key executive officer of HFLIL, which is also a Substantial Shareholder of the Company. A shareholder of HFLIL holding approximately 0.9% of the shares in HFLIL, which is also a Substantial Shareholder of the Company and immediate family member of directors of HFLIL.	No	Submitted to the Company
Mr Kwik Sam Aik	Hong Kong Special Administrative Region	Nil	No	Submitted to the Company
Mr Tan Kok Kwee	Singapore	Nil	No	Submitted to the Company

Information relating to the Directors who are proposed to be re-elected to the Board is also set out on pages 3, 4, 28, 29 and 30.

The Board's comments on the re-appointment of Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng, Mr Kwik Sam Aik and Mr Tan Kok Kwee (including rationale, selection criteria, and the search and nomination process, as applicable) are set out on page 15. The shareholding interest of Mr Cheong Pin Chuan and Ms Cheong Hooi Kheng in the Company and its subsidiaries are set out on pages 69 and 70. Mr Kwik Sam Aik and Mr Tan Kok Kwee do not have any shareholding interest in the Company nor its subsidiaries.

Mr Cheong Pin Chuan, Ms Cheong Hooi Kheng, Mr Kwik Sam Aik and Mr Tan Kok Kwee have individually confirmed that on each of the questions as set out in paragraphs (a) to (k) of Appendix 7.4.1 of the Listing Manual of the SGX-ST, the answer is "no".

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2023

RISK MANAGEMENT

Hong Fok Corporation Limited (the "Company") and its subsidiaries (the "Group") ensure that risks are reasonably mitigated, and adverse impact to the Group is limited while achieving the Group's strategic goals and maximising stakeholder value.

The risk management framework is established in accordance with established risk management guidelines and frameworks, and approved by the Audit and Risk Management Committee ("ARMC"). The framework involves a continuous cycle of designing, implementing, managing, monitoring, reviewing and improving the framework.

ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK AND PROCESS

The Group has established an ERM framework in accordance to the ISO 31000 for the Group to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks. Such risks include financial, operational, compliance and information technology risks.

The ERM framework helps to institutionalise a standard and consistent approach to risk management in the culture and strategic planning processes, which supports the Group in setting priorities and making decisions. In addition, it ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organisational levels.

To promote risk awareness among employees at all levels, the Group has put in place an ERM policy that elaborates on the ERM framework, process and governance. In addition, the Management has conducted the risk management exercise in August 2023 to update the Risk Registers, where individual risk owners are required to identify the relevant risks and assess the effectiveness of the Group's risk responses, including internal controls that have been put in place.

ERM GOVERNANCE STRUCTURE

Roles	Organisation	Responsibilities
Guidance	Board of Directors (the "Board"), including ARMC	**Board and ARMC** • Govern the Management in the design, implementation and monitoring of the risk management and internal controls system and is responsible for the overall internal control framework • Oversee strategic decision-making process on a Group level • Approve Risk Appetite, ERM Policy, Control Self-Assessment ("CSA") and Risk Register • Review and monitor the Management's performance **Specific to ARMC** • Determine and advise the Board on the nature and extent of significant risks in achieving the Board's strategic objectives • Determine and recommend the Group's risk appetite and strategy
Direct and Manage	Executive Directors	• Oversee the design, implementation and monitoring of the Group's risk management and internal control systems • Provide direction for the implementation of ERM policy • Provide reasonable assurance to the Board regarding the effectiveness of risk responses to key risks, such as through reviewing and endorsing the CSA and Risk Register
Execute	Key Executive Officers (supported by department managers and all other staff)	• Implement risk management and internal control systems across all processes and activities • Timely reporting to the Executive Directors of any inadequacies in the internal control systems

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2023

RISK APPETITE STATEMENT

The Board considers the risk appetite of the Group in the context of its primary operating sectors, the regulatory environment within Singapore and Hong Kong, its risk culture and its key strategic objectives.

The Group's primary operating sectors within the residential, commercial and hospitality property market include:

- Property investment
- Property development and construction
- Property management

The strategic objectives include:

- Delivering stable earnings growth
- Maintaining stakeholder confidence
- Maintaining capital adequacy
- Maximising group synergies
- Strengthening sustainable practices

The Group's risk appetite is the level of risk it is willing to take in pursuit of its strategic objectives. The Board has recognised the nature and extent of the risks within its risk appetite, which is set to assess and balance opportunities for business development within areas of potentially higher risk, whilst being committed to delivering value to its stakeholders.

RISK CATEGORIES

The Group has identified the following key risk responses and controls to manage and monitor its main risks from each of the five risk categories illustrated below; these are reviewed regularly by the Executive Directors and yearly by the ARMC, to ensure that business activities remain within the limits of its risk appetite.

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Strategic Risk

In the course of pursuing the Group's strategic objectives in both Singapore and Hong Kong, it has identified strategic risks that are to be considered. These include geopolitical and macroeconomic conditions, competition, evolving global trends, and the evolving regulatory environment.

It is within the Group's primary interest to perform risk evaluation and continuously monitor these risks as it forms an essential consideration in its overall investment strategy, the existing and future structure of the business, and its strategies for sustainable corporate growth.

Market and Competition	
The Group is exposed to numerous risks in key financial and property markets. Current macroeconomic concerns include: – Heightened global geopolitical tensions and their impacts on commodity prices which will increase development and construction costs, reducing development feasibility; and – Global inflationary trends and increased uncertainty of the resilience in markets, impacting investment opportunities. Inability to ensure that new investments entered into are sufficiently evaluated and existing investments regularly monitored could lead to poor financial returns.	We manage this risk by: (a) Evaluating each investment proposal in congruence with the Group strategies and investment objectives. The evaluation process involves rigorous due diligence and feasibility assessment that are approved by the Joint Chief Executive Officers; (b) Reviewing and approving all major investment (refer to significant transactions as defined in Rule 1006 of the Listing Manual of the SGX-ST) proposals, in adherence to the Board Approval guidelines within the Corporate Governance Statement on page 11; and (c) Ongoing monitoring of the performance of existing investments.
Sustainable Operating Model	
The Group places great emphasis on digitalisation risk to sustain economic viability. Hence, failure to embrace such opportunities may result in potential revenue loss.	We manage this risk by: (a) Providing virtual property tours to our potential customers; (b) Actively seeking technology and tools to digitalise the business; and (c) Conducting cost and benefit analyses on potential technologies prior to acquisition.

Operational Risk

The overarching risk management and system of internal controls have been embedded into the Group's primary operations consisting of operating, reporting, and monitoring of processes and procedures. Across all functions, operational risks are identified, assessed, managed and reported to the Management regularly. Relevant risk areas within operations include project and property management, human capital, and health & safety risks.

The Group continues to explore solutions and adopt new methods for better operational efficiency where practicable. Nevertheless, manual controls are still retained for some processes where stringent checks are required.

Project and Property Management	
The Group may be exposed to adverse reputation and sales impacts if property management risks (such as facilities management, portfolio, procurement, tenant and contract defaults, and contract disputes) are not managed appropriately.	We manage this risk by: (a) Enforcing policies and procedures that cover key aspects such as facilities management, vendor selection and evaluation, tenancy management, as well as business continuity and disaster recovery plans; (b) Implementing continuous measures to safeguard the resilience of our rental income as well as the level of support and maintenance to our tenants; and (c) Adopting various measures, including cross-training staff and closing off areas when required, to lower the operating costs.

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Human Capital and Health & Safety	
Attracting, retaining, and developing talents will be crucial as we look for more future growth. Failing to retain employees will result in the loss of corporate knowledge within the Group, compromising our business continuity. The Group believes that maintaining safe buildings and a healthy workplace can have a positive impact on tenants, residents, shoppers, employees and the public at large. As such, it is important to manage risks relating to health & safety.	We manage this risk by: (a) Establishing training and development programmes, staff wellness activities, and competitive compensation and benefits packages. Further information can be found in the Sustainability Report on pages 52 to 54; (b) Catering for alternative working arrangements; (c) Continuously spreading awareness on health and safety in our buildings and workplace; (d) Ensuring individuals are accountable for keeping our buildings and workplace environment safe; and (e) Implementing relevant safety measures for different operations. Further information can be found in the Sustainability Report on pages 49 to 51.

Financial Risk

Given the nature of its business, the Group is exposed to interest rate and financial investment risks. The ARMC advises on the financial risks and assesses the financial risk management and governance framework implemented to ensure adherence to the Group's policies and risk appetite. The Group's financial risk management is discussed in detail within Note 28 to the Financial Statements.

The Management's long-term objective has always been to deliver sustainable long-term value to our stakeholders. With these controls, any business decisions are taken to achieve this long-term objective.

Interest Rate	
Given Singapore's open economy and subsequent sensitivity to global inflation and associated monetary policy implications, the Group is exposed to potential changes in interest rates. A high interest rate environment will impact the financing cost of potential new investments.	We manage this risk by: (a) Adopting a prudent approach to how we manage business activities and opportunities; (b) Having available credit facilities to support the operations when required; (c) Conducting cash flow planning and forecasting; and (d) Monitoring of Singapore Overnight Rate Average ("SORA") for selection of interest periods.
Property Investment	
Poorly performing property investments, combined with external risks, market factors and adverse business environment, may affect the investment valuation. Thus, the Group may be exposed to valuation loss.	We manage this risk by: (a) Performing ongoing monitoring of market factors and business environment that may affect investment valuation; (b) Adhering to the approval matrix prior to each property investment; and (c) Executing valuation for investment properties annually and recognising gain/loss on the investments accordingly.

RISK MANAGEMENT AND RISK APPETITE STATEMENT

YEAR ENDED 31 DECEMBER 2023

Compliance Risk The Group's operations are subject to government regulations in Singapore and Hong Kong, which may impact its resilience to respond to changing market conditions, competitive landscape, and technology disruptions.	
Regulatory Compliance	
The Group is subject to laws and market regulations, such as anti-bribery, anti-corruption, anti-money laundering, terrorism financing, competition, and data privacy. Recent heightened awareness of – and changes to the regulations for – the developers' role in anti-money laundering and terrorism financing requires the Group to perform additional due diligence measures, including implementing prevention programs and conducting due diligence and screening checks on new and existing purchasers. As a SGX-listed company, the Company is also subject to Environmental, Social and Governance ("ESG") disclosure requirements which are outlined in the Sustainability Report. Non-compliance with the regulatory requirements will negatively impact the Group's reputation and financials.	We manage this risk by: (a) Creating a risk management framework whereby the Group monitors new developments within the regulatory environment of the industry. These new developments include mandatory safe working measures and financial support schemes that are granted to the Group; (b) Adopting a 'zero tolerance' approach to any acts of fraud, corruption or bribery by employees in the course of its business operations; (c) Being committed to maintaining the highest standards of integrity, which are integral to its corporate identity and business. The Group also recognises the rights of individuals to protect their personal data; (d) Having a Conflict of Interests and Interested Person Transaction Policy, Anti-corruption and Anti-money Laundering Policy and Whistle-blowing Policy. Further information can be found in the Corporate Governance Statement and Sustainability Report on pages 10 to 30 and 41 to 44 respectively; and (e) Establishing a Sustainability Task Force to oversee sustainability initiatives and align the sustainability strategies of the Group to the material ESG factors. More information can be found in the Sustainability Report on page 42.

Technological Risk The Group recognises a service disruption caused by critical Information Technology ("IT") or malicious and deliberate hackers' attempts. This risk could breach our IT systems, adversely impacting the Group's business continuity and reputation.	
Cyberattacks	
In the event of cyberattacks, data accuracy and integrity may be compromised should there be insufficient preventive measures.	We manage this risk by: (a) Implementing the necessary safeguards such as enforcing our IT Policy, equipping our employees with knowledge through training videos and awareness emails, frequently updating the network security systems, conducting periodic backups, implementing disaster recovery and business continuity plans, and making sure all internet connections are secured; (b) Developing a holistic and risk-based approach towards aspects of IT governance including system authentication, user access management, database configuration, change management, business continuity and disaster recovery, and personal data protection. The Group has also engaged external professional services to independently assess and strengthen its IT systems; and (c) Ensuring data privacy and adherence with the Personal Data Protection Act through implementing personal data safeguards for its customers and employees.

LOOKING FORWARD

The Group will continue to monitor and assess risks amidst the evolving geopolitical, macroeconomic, competitive, and regulatory landscape. In striving towards sustainable economic viability, the Group will proactively refine and enhance its risk management framework, internal control systems and processes.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

ABOUT THIS REPORT

Reporting Principles and Statement of Use

Hong Fok Corporation Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to present the seventh sustainability report (the "Report"). The Report provides detailed information on our responsible business practices across the environmental, social and governance parameters in accordance with Global Reporting Initiative ("GRI") Standards 2021. The board of directors of the Company (the "Board") has reviewed and approved the reported information, including the material topics.

The GRI standards were selected as it represents the global best practices for reporting on economic, environmental and social impacts. We have applied the following principles to determine relevant topics that define the report content and ensure quality of information: (a) GRI guiding principles for defining the content: Materiality, Stakeholder Engagement, Sustainability Context and Completeness; (b) GRI guiding principles for defining the quality: Accuracy, Balance, Clarity, Comparability, Timeliness, and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

The Report has incorporated all the primary components as set out by the "Comply or Explain" requirements on sustainability reporting under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B.

This is the second year that the Group reports climate-related disclosures based on Taskforce for Climate-related Financial Disclosures ("TCFD") recommendations. This year, we continue monitoring Greenhouse Gas ("GHG") emissions closely and aligning the metrics and targets with the relevant Building and Construction Authority ("BCA") requirements. Impacts on the Group's key assets and the resiliency of these assets are assessed in greater details, together with the Singapore Green Plan 2030. Please refer to the section on "Climate Related Disclosures" for details.

Reporting Scope

The sustainability disclosures are presented for the reporting period 1 January 2023 to 31 December 2023 and to be read in conjunction with our Annual Report 2023. Our focus in this Report will be on the sustainability performance of the Singapore properties over which we have a 100% effective interest and operational control that is covering all three business segments including (1) Property Investment, (2) Property Development and Construction and (3) Property Management. With this focus, the operational data included in this Report refers to our commercial and residential assets, namely International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline.

Our properties in Hong Kong and YOTEL Singapore Orchard Road are not part of the reporting scope because we do not have management control over these assets. Similarly, the human resources and safety data included refer solely to employees in Singapore.

The Report excludes the operations of project management as there were no construction projects awarded to and executed by the Group in FY2023.

Restatements

There are no restatements of information made from previous reporting periods.

Assurance

We have considered the recommendations of an external Environmental, Social and Governance ("ESG") consultant for the selection of material topics as well as compliance with reporting standards and SGX-ST Listing Rules. The Group has engaged an internal auditor to perform an internal review over the sustainability disclosures process in accordance to Rule 711B(3), stipulated under the SGX-ST Listing Rules.

Availability and Feedback

Feedback directed at improving our sustainability practices are always welcome. This Report is available on SGXNet and online at http://www.hongfok.com.sg. Please send your comments or feedback to fax no. 6293 8689 or email to ir@hongfok.com.sg.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

BOARD STATEMENT ON SUSTAINABILITY
In FY2023, the Group has taken significant strides towards fortifying the foundation of our sustainability governance, aligning with the objectives of the Singapore Green Plan 2030 and the broader trends of the Green Building Masterplans. We have kept up with the greener and more sustainable urban future through the continual Green-Mark certification of our existing investment properties. Simultaneously, the Group stays abreast of innovative and new green features and designs as we understand our responsibility in helping to establish a sustainable cityscape. We are proud to announce that The Concourse has purchased green electricity for major parts of the building, resulting in a substantial improvement in electricity usage efficiency. The Board and our dedicated Sustainability Task Force will continue overseeing and fulfilling our ESG performance, offering guidance in risk identification and strategy implementation on an annual basis. Through the incorporation of sustainability-focused measures and principles, our objective is to enhance the long-term resilience of the supply chain with sustainable developments. While the Group successfully accomplished the majority of its goals for FY2023, there is a commitment to ongoing reflection and review of environmental and social measures, with a continuous pursuit of improvement. In the upcoming years, the Group will persist in evaluating the climate-related resilience of its properties and staying at the forefront against climate change.

SUSTAINABILITY STRATEGY OVERVIEW

Singapore's commitment to the Singapore Green Plan 2030 has highlighted the importance of the climate change and sustainability agenda.

Considering the rapid developments to integrate sustainability factors into the business, the Group will continue to incorporate sustainability into our operations and to keep abreast of regulations and industry best practices related to sustainability. Resources will also be devoted to promote the Group's sustainability initiatives.

We shall continue to focus on our key business ethics of delivering service of the highest standards whilst strengthening our commitment to sustainability. The key areas of our sustainability strategy are presented in the diagram below:

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

The table below outlines our material topics within the sustainability strategy:

Material Topics	Definition
Governance and Ethics	Strong corporate governance guides the Group in managing ESG-related risks and opportunities as well as ensuring full compliance with all applicable laws and regulations, including our procurement practices.
Environmental Responsibility	Our environmental agenda contains a commitment to develop sustainable buildings. Two of our properties have demonstrated our commitment: • The Concourse, a commercial building, was re-certified by BCA as Green Mark (Platinum) in 2022, with validity period till 7 February 2025. • International Building, a commercial building, similarly, was re-certified by BCA as Green Mark (GoldPlus) in September 2023 with validity period till 12 September 2026.
Building and Facilities Management	Building and service quality is integral to our business proposition. As such, we are judicious with our sub-contractor selection. We prioritise the health and safety of our tenants and comply strictly with all safety-related regulatory guidelines.
Occupational Health and Safety	The Group's property management and maintenance operations prioritise onsite safety. Although our contractors and business partners are responsible for various on-site activities, we continue to work closely with them to ensure that our health and safety standards are strictly adhered to. We share our safe management plans and procedures with all our contractors, to ensure they comply with the rules and regulations set by us and the government authorities.
Talent Retention	We continue our efforts in talent retention and hiring innovative, dynamic and talented staff as they are considered to be our organisation's key assets. We believe it is vital to keep our staff engaged and motivated through creating a supportive work environment. The Group rewards and motivates staff with a comprehensive and competitive compensation package and benefits programme. We encourage our workforce to pursue lifelong learning by providing quality training opportunities if applicable.

CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

The Group contributes to the UN SDGs through our daily operations, strategy development and collaboration with our stakeholders. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The following table highlights the Group's contributions to the attainment of the relevant UN SDGs.

Material Topics	UN SDGs		The Group's Contribution	Relevant Stakeholders
• Governance and Ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Goal 16: Peace, Justice and Strong Institutions	Comply fully with all socioeconomic and environmental laws and regulations	All stakeholders
• Environmental Responsibility • Climate-related Disclosures	13 CLIMATE ACTION	Goal 13: Climate Action	Assess climate-related risks and opportunities for the Group as part of the TCFD report	All stakeholders
	6 CLEAN WATER AND SANITATION	Goal 6: Clean Water and Sanitation	Provide safe and clean water to users and implement water and sanitation management to the highest standards	Local communities and government
• Governance and Ethics • Building and Facilities Management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Goal 9: Industry Innovation and Infrastructure	Explore and integrate technological solutions to enhance building efficiency Incorporate environmentally friendly building materials and features	Local communities and tenants
• Occupational Health and Safety • Talent Retention	8 DECENT WORK AND ECONOMIC GROWTH	Goal 8: Decent Work and Economic Growth	Provide work opportunities and a conducive working environment to the community	Employees and contractors
• Talent Retention	5 GENDER EQUALITY	Goal 5: Gender Equality	Provide equal opportunities in employment, training and career development regardless of gender	Employees

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder Engagement

We value inputs from all our stakeholders and use a variety of channels to engage with them as well as receive their feedback.

We identify stakeholders as groups that have an impact on or have the potential to be impacted by our business, as well as external organisations that have expertise in aspects that we consider material. The inputs that we receive form the cornerstone of our sustainability goals. This section presents the work done and impact created based on our active stakeholder engagement process.

The inputs from stakeholders allow us to create appropriate policies and practices that govern responsible business conduct, and provide us with the opportunities to understand the views and expectations from them. Defined communication channels ensure focused engagement through the year.

Key Stakeholders	Engagement Methods	Areas of Concern	Our Responses	Section Reference
Investors	• Updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and our website • Annual General Meeting	• Corporate governance • Climate resilience of investment properties • Business and financial performance • Compliance and anti-corruption	• Provide timely, transparent and quality disclosures • Provide useful information and responses to investor queries • Establish robust governance practices	• Annual Report • Governance and Ethics • Environmental Responsibility • Climate Related Disclosures
Tenants	• Feedback surveys on various issues • Established channels of communication for tenant and property-related issues	• Quality of properties • Facilities available • Value for money • Health and safety concerns	• Maintain building quality • Respond promptly to tenant feedback • Find ways to value-add to building for tenants	• Building and Facilities Management
Employees	• Training and development programmes • Career development and performance appraisals	• Continuous learning • Equal opportunities and non-discrimination • Work-life balance • Competitive compensation • Occupational health and safety	• Provide fair employee remuneration and benefits • Encourage employees to pursue lifelong learning opportunities	• Talent Retention • Occupational Health and Safety
Government and Regulators	• Meeting and dialogue sessions • Annual Report • Sustainability Report	• Compliance • Business ethics • Industry participation	• Ensure full compliance with all applicable local laws and regulations	• Governance and Ethics • Environmental Responsibility • Climate Related Disclosures
Contractors and Other Service Providers	• Regular dialogue sessions with service providers, property managers and contractors	• Site health and safety • Competitive fees	• Engage and evaluate suppliers and contractors regularly and provide meaningful feedback	• Governance and Ethics • Occupational Health and Safety

Materiality Assessment

We identify material topics that provide insight into our stakeholder concerns as well as the internal and external risk factors that impact our business. We had previously undertaken a structured process to prioritise the key topics material to the Group and our stakeholders across the economic, environmental and social bottom lines. This process was in line with the GRI Standards Materiality Principle. The material ESG factors determined form the basis of our sustainability efforts and reporting. Our material factors have impacts along our entire value chain. We determine our reporting boundaries based on the impacts where we have active control over.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

The Group conducts an annual review of the material ESG factors to assess their alignment and relevance to the Group's business objectives and strategy. During this process, the Group considers any changes in the internal business activities, the external local and global sustainability landscape, as well as the recommendations of the external ESG consultant. We have taken the following steps to identify and present the relevant material factors in this Report:

1 Identification: Initial selection of material topics based on the risks and opportunities to the sector.

2 Prioritisation: Material factors are prioritised based on their alignment with the concerns of internal and external stakeholders including whether they are aligned with key organisational values, policies, operational management systems, goals and targets.

3 Benchmarking: Comparison against competitors and peers to determine how the industry identifies and prioritises material factors.

4 Review: Review the relevance of previously identified material factors.

5 Validation: Validate the selected material factors and their prioritisation in the Sustainability Report with the Board.

Most of the disclosures remain the same as in FY2022. However, we have moved narratives relating to the material topic "Supply Chain Management" to the material topic "Governance and Ethics". In this year, the incorporation of ESG criteria into Supply Chain Management has become an integral part of the Group's sustainability strategy. This strategy aligns closely with the broader corporate governance principles and aims to foster responsible business practices across the supply chain.

The table below illustrates the material topics selected and their relevance to the respective stakeholders:

Material Topics	Stakeholders Impacted	Report Sections	GRI Disclosures Addressed in This Report
Governance and Ethics	• All stakeholders	• Business Ethics • Corporate Compliance • Sustainability Governance Structure • Risk Management • Whistle-blowing Policy • Environmental Compliance • Tax • Data Privacy and Protection • Supply Chain Management	• GRI 205 Anti-corruption 2016 • GRI 207 Tax 2019 • GRI 308 Supplier Environmental Assessment 2016 • GRI 414 Supplier Social Assessment 2016 • GRI 418 Customer Privacy 2016
Environmental Responsibility	• All stakeholders	• Energy and Emissions Management • Water Management • Waste Management	• GRI 302 Energy 2016 • GRI 303 Water and Effluents 2018 • GRI 305 Emissions 2016 • GRI 306 Waste 2020
Building and Facilities Management	• Employees • Tenants	• Building and Facilities Management	• GRI 416 Customer Health and Safety 2016
Occupational Health and Safety	• Employees • Contractors	• Occupational Health and Safety Management	• GRI 403 Occupational Health and Safety 2016
Talent Retention	• Employees	• Our Workforce and Diversity • Training and Education • Employee Well-being	• GRI 401 Employment 2016 • GRI 402 Labor/Management Relations 2016 • GRI 404 Training and Education 2016 • GRI 405 Diversity and Equal Opportunity 2016 • GRI 406 Non-discrimination 2016

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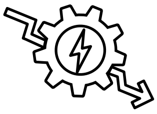
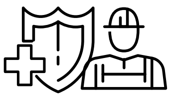
YEAR ENDED 31 DECEMBER 2023

ESG PERFORMANCE HIGHLIGHTS

	Reduction in energy intensity and emission intensity within the Group.
	Zero incidence or substantiated complaints concerning breaches of customer privacy and loss of customer data.
	Integrated ESG criteria into new supplier evaluation processes.
	Zero incidents of non-compliance with health and safety regulations.

1 GOVERNANCE AND ETHICS
Strong corporate governance practices are important to the Group as it strives to build a viable and resilient business that is capable of adapting to the trends and uncertainties in the industry. Such practices help the Group align its operations and business activities with the interests of all key stakeholders.

Business Ethics
Policies
The Company's policies provide guiding principles on business conduct and ethics that all management and employees should practise to support its commitment to good corporate governance. To promote transparency, most of these policies are publicly available on the Company's website.

Board Policy	Company Policies
• Board Diversity Policy	• Code of Conduct • Investor Relations Policy • Anti-corruption and Anti-money Laundering Policy • Conflict of Interests and Interested Person Transaction Policy • Dividend Policy • Whistle-blowing Policy • Best Practices Guide (Dealings in Company's Securities) • Personal Data Protection Policy • Employee Handbook*

* Only circulated to the employees, not available online.

For good corporate governance, all corporate-level policies[1] are reviewed and approved by our Board of Directors.

Code of Conduct
The Code of Conduct sets out the general principles and standards of behaviour that the Group expects from its employees in their dealings with fellow employees, customers, suppliers and business partners. For example, employees should always deal with the Group's customers, suppliers and business partners fairly, and must not take any unfair advantage of anyone through manipulation, concealment, deception or engage in any other unfair practices. New hires are informed of the policies and standard operating procedures in the Code of Conduct during their induction programme. The details on the Code of Conduct are available on the Company's website.

[1] This does not include internal operational policies and procedures.

SUSTAINABILITY REPORT
YEAR ENDED 31 DECEMBER 2023

Anti-corruption and Anti-money Laundering Policy
The Company understands the importance of having strong corporate governance across our operations. In upholding our stance towards anti-corruption, all members of our Board and employees must ensure they read, understand and comply with our Anti-corruption and Anti-money Laundering policy. This policy has been made readily available to all, including stakeholders and potential business partners, on the Company's website. A copy of our policy has been given to all new employees upon successful confirmation of their employment with the Group. Acknowledgements via completed form are required from the newly confirmed employees when they receive the policy.

The Anti-corruption and Anti-money Laundering Policy prohibits employees from engaging in various activities, including offering or accepting bribes, kickbacks, or other corrupt payments, soliciting or extorting, aiding or abetting corruption or bribery, giving and accepting gifts and hospitality (unless normal and appropriate), making facilitation payments, and assisting third parties in retaining the benefits of illegal activities related to drugs, criminal conduct, or terrorism.

There were no reported incidents of corruption in FY2023.

Conflict of Interests and Interested Person Transaction Policy
The Conflict of Interests and Interested Person Transaction Policy aims to provide guidance to Directors to recognise and deal with conflict of interests and to set out the Company's internal procedures and guidelines to identify, report and where necessary, seek appropriate approval of interested person transactions ("IPTs") in order to comply with the Listing Manual of the SGX-ST.

This policy also requires the personnel involved in the proposed IPTs to ensure that the IPTs are conducted fairly, on an arm's length basis, on normal commercial terms, and are not prejudicial to the interests of the Group and/or its non-controlling shareholders.

For more details on conflict of interest assessment on Directors, please refer to the Corporate Governance Statement in the Annual Report 2023 or the Company's website.

Corporate Compliance
There are several laws and regulations which are applicable to the Group. These include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("ACRA") and the Securities and Futures Act 2001, amongst others.

Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our financial auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors in written hand-outs, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

Sustainability Governance Structure
The Sustainability Taskforce ("STF") is responsible for reviewing and making recommendations to the Board on sustainability matters including policies, practices, targets and performance. The STF consists of executives of the Group who work with personnel of the relevant business units. The Board is responsible for identifying various business risks, implementing strategies and sustainability frameworks, tracking the performance of the material ESG factors, reviewing targets and approval of the sustainability report. Though executive remuneration has not been directly linked to sustainability performance of the Group, the relevancy will be considered if such opportunities arise for future projects.

Since the announcement made by Singapore Exchange Regulation in year 2022 which mandates directors to attend mandatory sustainability training, the Board members have enrolled and attended the sustainability trainings conducted by the Singapore Institute of Directors.

For more details on how the governance structure is formed and evaluated and the remuneration policies, please refer to Corporate Governance Statement in the Annual Report 2023.

Risk Management
The Group adopts a precautionary approach in strategic decision making by implementing a comprehensive risk management framework. We have integrated the process for identifying, assessing and managing material ESG-related risks into our organisation's overall risk management framework.

Please refer to the Risk Management and Risk Appetite Statement in the Annual Report 2023 for more information on the Group's risk management practices.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

Whistle-blowing Policy

The Company has a Whistle-blowing Policy which provides a mechanism for staff of the Group in Singapore to raise concerns in confidence about fraud and other possible improprieties in matters of financial reporting or other matters. Our stakeholders can raise their concerns through our whistle-blowing email – wb@hongfok.com.sg.

The Audit and Risk Management Committee ("ARMC") is responsible in overseeing, monitoring and investigating the complaints made. Upon receiving the complaint, the ARMC Chairman will perform a preliminary review of the complaint made and determine the validity of the complaint within the scope of the whistle-blowing policy. The ARMC Chairman will report the complaint to the members of the ARMC. The ARMC will then determine the subsequent course of actions to be taken in resolving the complaint. All records of complaints made will be kept. The details of the Whistle-blowing Policy are available on the Company's website.

There were no reported incidents or complaints submitted pertaining to whistle-blowing in FY2023.

Environmental Compliance

Our properties are subjected to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations, the Energy Conservation Act, as well as the Environment Protection and Management Act administered by the National Environment Agency. Property managers conduct regular checks to ensure compliance with reporting requirements for submission of environmental data. Properties are also subject to periodic environmental audits by the local authorities, including the BCA in order to maintain the Green Mark Certification.

There were no instances of non-compliance with environmental laws and regulations in FY2023.

Tax

The Group complies strictly with Singapore's tax regulations by engaging a third party service provider to manage its income tax requirements in Singapore. The service provider is also assigned to address any tax compliance and tax-related queries.

For other tax-related matters in Singapore such as payments of Goods and Services Tax, withholding tax for payment of services and stamp duty tax, these are performed by the Group's accounts department and complies with the tax reporting requirements. The Group did not engage in lobbying activities on tax-related issues.

Data Privacy and Protection

The Group is committed to protecting our customers and tenants' privacy and data. We have implemented a Personal Data Protection Policy which governs the collection, handling and protection of our customers' personal information in a responsible manner, in accordance with the latest amendment of the Personal Data Protection Act 2012 ("PDPA"). In the event where we need to collect personal data from our tenants, we ensure that we have obtained the tenant's consent before collecting the data.

A structured segregation of data storage and access rights have been set out based on departments and authority levels. Safeguard measures have been imposed physically and digitally.

The details of the Personal Data Protection Policy are available on the Company's website.

Our appointed Data Protection Officer ("DPO") develops, assesses, reviews policies and procedures, to ensure full compliance with the PDPA throughout the Group and any risks of breaches have been communicated.

The Group has recently engaged an external consultant to update its Personal Data Protection Policy relating to the approach of handling data breaches. The policy has been circulated to all employees by the DPO.

There were no incidents of substantiated complaints concerning breaches of customer privacy and loss of customer data in FY2023.

Supply Chain Management

We deal with a large supplier base and developing strong relationships with the suppliers will provide us with continuous success. The suppliers include building maintenance material providers, contractors and suppliers for soft and hard services as well as downstream services such as waste management and professional support services. We engage with our contractors onsite regularly, with a specific emphasis on health and safety issues apart from service quality.

Nevertheless, we adopt a risk-based approach to ensure that our supply chain is sustainable and resilient.

SUSTAINABILITY REPORT
YEAR ENDED 31 DECEMBER 2023

Our procurement team manages relationships with large business partners who are involved in delivering essential services or products for our operations based on their service delivery and adhering to the environmental laws in the respective jurisdictions. ESG criteria have been included in our new vendor qualification/evaluation process since early December 2023.

For services and products which the Group deems could bring about environmental harm, the Group will request for the supplier to produce documentary proof on the validity of the material used[2]. Such materials include paint and thinner which the Group perceives to bring about a negative social and environmental impact.

For construction projects, we have a preference towards contractors and/or sub-contractors who are ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety) certified and we will include this as part of the contractor/sub-contractor evaluation[3].

In FY2023, no new vendor has been assessed to have exerted negative environmental or social impacts on the supply chain or in general.

Governance and Ethics Targets

FY2023 Targets	Performance in FY2023	Status in FY2023
Compliance		
Zero incidents of non-compliance with all relevant laws and regulations	Zero incidents of non-compliance with all relevant laws and regulations	●
Cyber Security		
Zero incidents of data breach due to cyber-attack or breach of PDPA	Zero incidents of data breach due to cyber-attack or breach of PDPA	●

Status: ● Met ■ Partially Met ▲ Not Met

FY2024 Targets
Compliance
Zero incidents of non-compliance with all relevant laws and regulations
Cyber Security
Zero incidents of data breach due to cyber-attack or breach of PDPA

2 ENVIRONMENTAL RESPONSIBILITY

Climate action and management of energy, water and waste are the key elements of our environmental responsibility across our operations. Our efforts embrace opportunities and focus on tackling global sustainability challenges.

We seek to manage and exercise our environmental responsibility by adhering to BCA Green Mark guidelines. The Group strives to resolve any environmental issues that may arise in a prompt manner.

In addition to the focus on sustainable buildings, the Group has developed and formalised an Environmental Policy. The Environmental Policy articulates our commitment to comply with all relevant environmental laws and regulations, and to minimise environmental pollution by conserving energy and use our resources efficiently during policy formulation, planning, development, management and maintenance of our properties. We will also consider environmental requirements in procurement of goods and services as well as practising the 3Rs ("Reduce, Reuse and Recycle") when managing our resources, waste and materials. In achieving our environmental performance and targets, we continue to integrate the best practices throughout our supply chain. For example, outsourced cleaners are required to use green labelled detergents and toilet papers for International Building and The Concourse. More practices have been elaborated upon in the following sections.

Energy and Emissions Management

As a responsible corporate citizen in the real estate industry, the Group recognises the impact of our greenhouse gas contribution on perpetuating the effects of climate change and its role in addressing these growing global concerns. We focused our sustainability efforts on our core property business within Singapore.

[2] This does not include miscellaneous purchases including stationery as they are not a material recurring expense which requires a supplier evaluation form and decisions will be made based on prices.

[3] There was no construction projects awarded to contractors/sub-contractors in FY2023 and such vendor qualification is not applicable for construction segment.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

Our commitment to develop and promote sustainable buildings is evident from the certifications we have received for our buildings. In 2022 and 2023, our buildings "The Concourse" and "International Building" are green mark re-certified[4], respectively. This certification evaluates a building for its environmental impact and performance and is awarded to buildings that are more climate responsive, energy effective, resource efficient, smarter and have healthier indoor environments. We continue to track and share our energy consumption with BCA and key in our annual usage into the Building Energy Submission System. The Group had replaced the fans and motors in International Building to have higher energy efficiency. This contributed to our commitment towards energy saving and based on the actual usage and energy modelling, we have renewed International Building's Green Mark (GoldPlus) certification in September 2023.

To further promulgate this focus, we have developed a Green Tenant Guideline to create awareness and educate all tenants within our buildings to practise good environmental habits.

<table>
<tr><th>Energy Conservation</th><th>Water Conservation</th></tr>
<tr><td rowspan="3">• Select Energy Star label appliances in our purchases
• Choose Singapore Green Labelling Scheme ("SGLS") registered items upon replacement of appliances
• Replace lightings with high energy efficient lightings such as T5 with high frequency electronic ballast or Light Emitting Diode ("LED")
• Use of energy efficient lighting to minimise energy consumption while maintaining proper lighting level
• Ensure that all lights are switched off when not in use
• Install motion sensors for pantry areas or low use areas to save energy
• Ensure all windows and doors are closed when air-conditioner is in use</td><td>• Report water leakage to building hotline immediately
• Do not remove flow restrictors devices installed on water taps
• Use of auto-sensor taps for all basin taps
• Use dual capacity flushing cistern</td></tr>
<tr><th>Interior Conservation</th></tr>
<tr><td>• Use of low volatile organic compounds paints certified under SGLS
• Materials used are SGLS products or use of products that have at least 30% of recyclable content</td></tr>
<tr><th colspan="2">Recycling</th></tr>
<tr><td colspan="2">• Segregate recyclable items properly
• Clean up recyclables before sorting as contaminated recyclables are considered general wastes
• Electronic waste recycling in The Concourse managed by third party waste management service provider</td></tr>
</table>

Within our office, we incorporated energy saving features to reduce our energy consumption such as installing LED lighting, installing motion sensors for toilets and staircases, using high efficiency electronic ballasts at common areas and energy efficient air cooling systems across all of our buildings.

In a dedicated effort to assist Singapore in achieving its environmental goals, the Group has taken action on the Green Grove initiative, which involves the cultivation of green spaces on the 38th and 39th floors of The Concourse. This will enable the absorption of GHG in tackling the climate crisis, while also naturally cooling the air to reduce urban temperatures and enhance energy efficiency. The Group has also installed three more electronic vehicle ("EV") charging stations and they have been put into operation in January 2024. This will encourage more EVs on the road which will minimise the environmental impact of energy consumption from commuting.

We endeavour to reduce our energy consumption across all of our properties in the upcoming years to reduce our carbon footprint on the environment. In FY2023, the Group's primary energy consumption was derived from electricity procured from third-party providers. Petro-diesel is utilised to generate electricity when the Group conducts routine electrical maintenance.

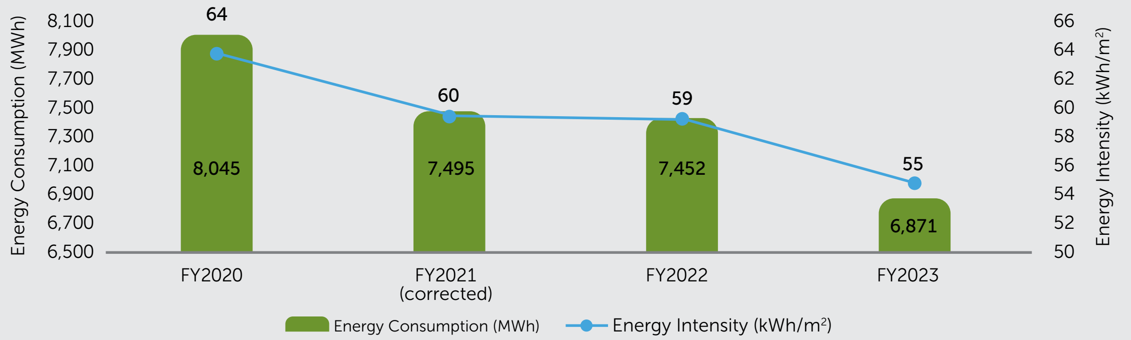
In FY2023, the Group recorded a total of 6,858 MWh of electricity consumption only within the organisation, and using a total gross floor area ("GFA") of 125,517 m^2, of four properties – International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline, the electricity intensity was 54.63 kWh/m^2. Compared to FY2018[5], we saw a 9.3% reduction in both electricity consumption (FY2018: 7,560 MWh) and electricity intensity (FY2018: 60.22 kWh/m^2). This resulted from an improvement in energy consumption across our properties as energy conservation was conducted as above mentioned. With a reduction in electricity consumption, the Group had also seen our Scope 2 emissions decreasing across the years.

4 BCA Green Mark certifications for "The Concourse" and "International Building" are valid until 7 February 2025 and 12 September 2026 respectively.

5 Baseline year FY2018 was selected for performance measurement in FY2022 and FY2023.

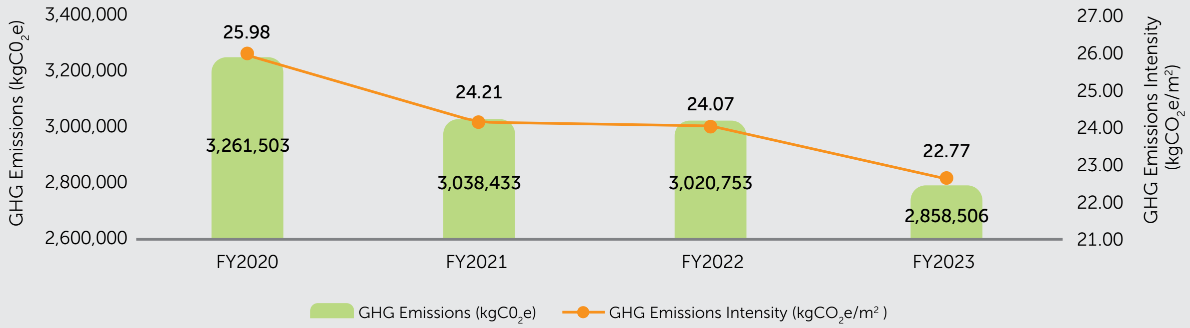
SUSTAINABILITY REPORT
YEAR ENDED 31 DECEMBER 2023

There are emissions generated from our building and facilities management. During the regular electrical maintenance on our properties, approximately 1,200 litres, that is equivalent to 0.039 terajoules (equivalent to 13 MWh) of non-renewable petro-diesel was used for the building's generator to generate electricity. The total fuel consumption is 0.49% of total energy consumed within the Group[6]. There was no change in the volume of fuel combusted in FY2023, as compared to FY2018.



Apart from the fossil fuel consumption, the Group generated a total of 2,859 tCO_2e of Scope 2[7] carbon emissions from its electricity consumption across the reported properties, as reflected below. In FY2023, the decrease in electricity consumption has resulted in 9.8% decrease[8] in Scope 2 carbon emissions (FY2018: 3,169 tCO_2e).

Scope	Scope 1 GHG Emissions		Scope 2 GHG Emissions		
Properties	**International Building and 362 & 364 Orchard Road**	**The Concourse and Concourse Skyline**	**International Building and 362 & 364 Orchard Road**	**The Concourse and Concourse Skyline**	**Total**
Total GHG Emissions (tCO_2e)	N.A.	2.70	726.21	2,132.29	**2,858.50**
GFA (m^2)[9]	15,437.92	110,079.42	15,437.92	110,079.42	**125,517.34**
Emissions Intensity (tCO_2e/m^2)	N.A.	0.00002	0.04704	0.01937	**0.02277**



6 In FY2023, the calculation of the total energy consumed within the Group was equal to total non-renewable fuel consumed and electricity purchased for consumption.
7 Grid Emissions Factors ("GEF") of 0.4168 $kgCO_2/kWh$ were taken from the EMA 2022: https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2. The 2021 GEF of 0.4085 $kgCO_2/kWh$ was applied to FY2021 and FY2022 GHG emissions and the latest 2022 GEF was applied to FY2023 GHG emissions.
8 Baseline year: FY2018
9 Fuel consumption and electricity consumption were used for electrical maintenance and powering up the properties in FY2023. Scope 1 and Scope 2 emissions are also generated as the result of the electricity usage and maintenance of International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline. The denominator used to calculate intensity of energy consumption and GHG emissions is the GFA of the properties that are specific to the source of usage.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

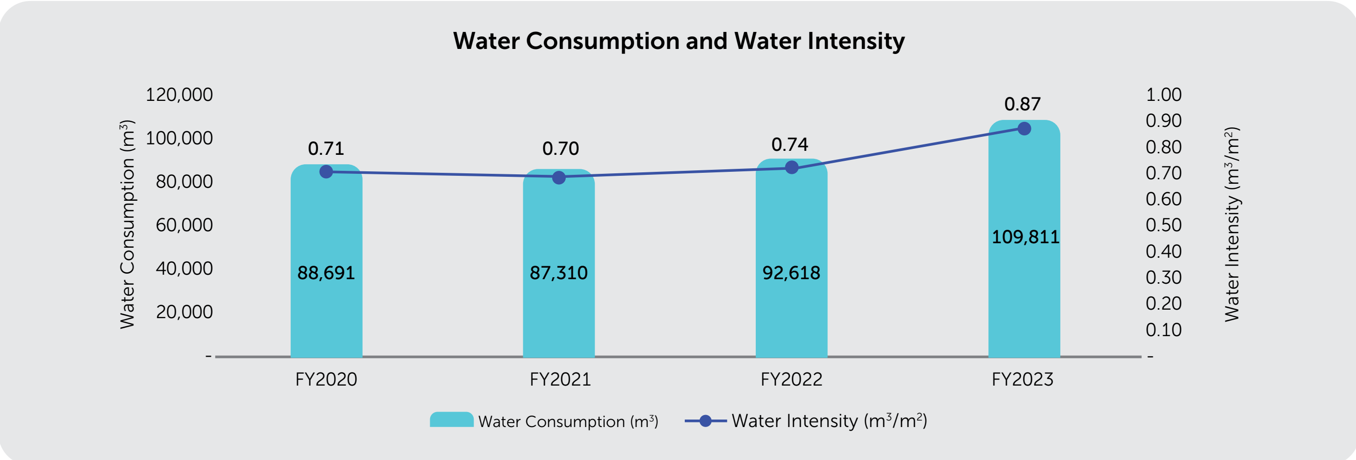
To further elevate our climate ambitions, we have contracted with a service provider for retail cooling[10] in International Building, to further maintain its sustainable operation of the chiller plants to meet the Green Mark requirement. It will be implemented at The Concourse in FY2024.

Water Management

The Group's efficient water management, including the management of water discharge, has complied with the authority's requirements. It was certified by Public Utilities Board ("PUB") for running a water-efficient building since 2011. In upholding our water conservation efforts, efficient water usage and management are an integral part of our internal Environmental Policy. The Group focuses on managing water usage for our operations as well as our tenants as it is a strategic and precious resource in Singapore. The Group's water consumption consists of water consumed at the Group's office and shared areas within our properties. We do not include the water consumed by our tenants as they pay for their own water consumption.

The Group also participates in the Water Efficiency Management Plan initiated by PUB under which we measure and report our water consumption to identify potential areas to reduce water consumption and raise water efficiency. As per our maintenance protocol, in particular, for water consumption regular routine checks are conducted for water usage to detect any abnormalities in the water consumption based on our average consumption.

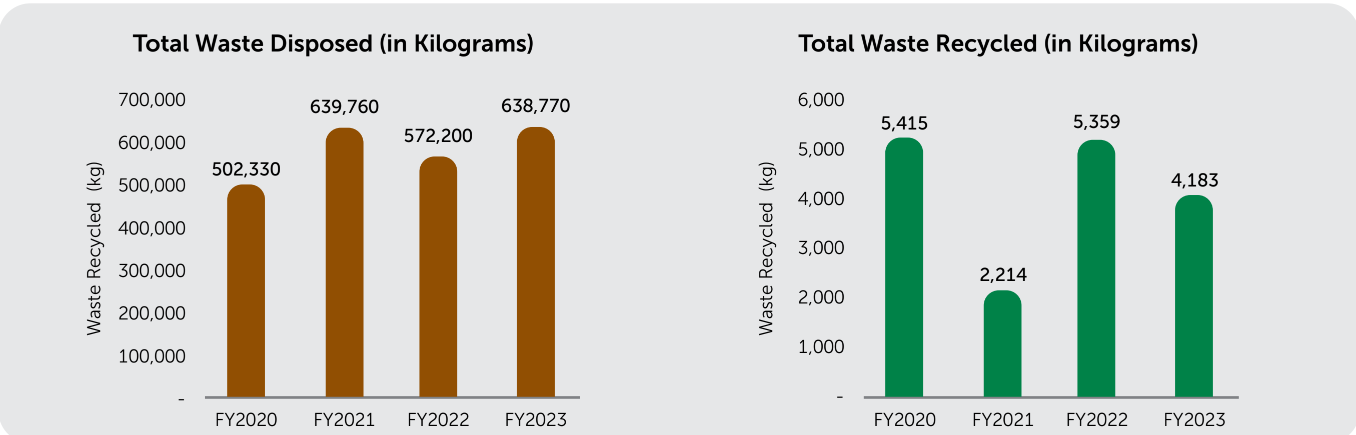
In FY2023, water consumption has increased from 92,618m^3 in FY2022 to 109,811m^3. Upon recovering from the COVID-19 pandemic, we see more tenants returning back to office which results in greater water usage at our buildings. Going forward, we will strive to maintain our water efficiency and consumption across all of our properties.



Waste Management

The Group has engaged third party waste disposal service providers to process waste generated from our properties. Waste disposal reports[11] are received from the service providers on a regular basis in order for us to be aware of our waste disposal trends.

The total waste disposed in FY2023 was 639 metric tons, an 11.6% increase compared to the volume that was disposed in FY2022.



10 Retail cooling system is the cooling solution for individual buildings, where the customers get to enjoy key benefits including, outsourced operation and maintenance of cooling system and improved system efficiency guarantee.

11 Composition of the waste diverted from disposal is only available and reported by the third party waste disposal service providers.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

We have been encouraging recycling amongst our tenants across all of our properties, and strive to minimise the amount of waste that is generated by monitoring the amount of waste disposed monthly.

The Group provides recycling bins at each floor to encourage tenants to sort their waste before disposing or recycling it. The composition of waste diverted from disposal has also been reported by the third party service providers. All 4.19 metric tons of waste diverted from disposal have been sent for recycling. There was no hazardous waste reported in FY2023 and the composition of the non-hazardous waste recycled was as follows (unit: metric tons):

Paper	Plastic	Metal	Glass	Total
3.49	0.24	0.34	0.12	**4.19**

For FY2023, the Group has initiated electronic waste (e-waste) recycling at The Concourse with our third party waste management service provider. The e-waste comprises of technology equipment, batteries and faulty devices, whereby the components and constituent materials can be turned into new products with proper processes which will help to save resources and reduce hazardous environmental impacts from materials, such as mercury and lead. There was no e-waste collected from the recycling bins at The Concourse in FY2023.

Environmental Responsibility Targets

FY2023 Targets	Performance in FY2023	Status in FY2023
Energy and Emissions Management		
Maintain and achieve BCA Green Mark on all currently certified properties[12]	All existing properties are BCA Green Mark certified – International Building: BCA Green Mark (GoldPlus) – The Concourse: BCA Green Mark (Platinum)	●
Reduce GHG emission[13] intensity by 1% from the baseline year FY2018	GHG intensity for Scope 2 in FY2023 was 22.77 $kgCO_2e/m^2$ and it was a reduction of 9.8% from the baseline year FY2018. (FY2018: 25.25 $kgCO_2e/m^2$)	●
Water Management		
Maintain water intensity levels within a 5% range from the baseline year FY2018	Water intensity was 0.87 m^3/m^2 for FY2023. It was 10.3% lower than the baseline year FY2018. (FY2018: 0.97 m^3/m^2)	●

Status: ● Met ■ Partially Met ▲ Not Met

FY2024 Targets
Energy and Emissions Management
Maintain and achieve BCA Green Mark on all currently certified properties
Reduce GHG emission intensity by 1% from the baseline year FY2018
Water Management
Maintain water intensity levels within a 5% range from the baseline year FY2018

3 BUILDING AND FACILITIES MANAGEMENT

The Group strives to provide our tenants and customers with a comfortable experience at our properties as the management of our buildings to visitors and services rendered to our tenants are crucial to the success of our business. In building maintenance, we conduct periodic mechanical and electrical maintenance services, pest control and cleaning as well as landscaping services to ensure our buildings are well-maintained for our tenant's business operations. In maintaining the building's structural integrity, cyclical inspection of the building structure is conducted by engineers engaged every five years, in compliance with building regulations. Our buildings are regularly assessed for compliance with the latest safety standards. Additional safety and health measure conducted by the Group includes annual fire and safety drills. We aim to ensure an immediate response and action to tenant feedback on potential health and safety concerns.

[12] There are two properties, namely The Concourse and International Building that are certified with BCA Green Mark.

[13] Refer to Scope 2 GHG emissions. Scope 1 GHG emissions, which are emitted when using generators for regular building and facilities management, remains unchanged for the past few years.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

The Group engaged cleaning and security services in maintaining the cleanliness and security of its properties. These are considered as workers and not our employees as they do not account towards the Group's headcount. They are employed by our service providers and their insurance as well as benefits are covered by the appointed service providers. Both types of workers are required to strictly adhere to their standard operating procedures for all circumstances and perform their own risk assessment to ensure health and safety within the building. As at 31 December 2023, there are nine cleaners[14] and seven security officers who are assigned to International Building.

In FY2023, there were no incidents of reported non-compliance with building regulations.

Building and Facilities Management Targets

FY2023 Targets	Performance in FY2023	Status in FY2023
Customer Health and Safety		
Zero incidents of non-compliance with health and safety regulations	There was no incident of non-compliance with health and safety regulations	●
Building and Facilities Management		
Tenant satisfaction survey rating of at least 85%	90.5% of the tenants at The Concourse were satisfied with the property	●

Status: ● Met ■ Partially Met ▲ Not Met

FY2024 Targets
Customer Health and Safety
Zero incidents of non-compliance with health and safety regulations
Building and Facilities Management
Achieve 85% of tenants who are satisfied with the properties

4 OCCUPATIONAL HEALTH AND SAFETY

We are determined to provide a safe working environment for all of our employees, suppliers, and contractors. Our property management department has put in place robust health and safety procedures, standards, and practices, as well as a Safety Committee that actively oversees and reviews, monitors, improves and implements all issues related to occupational health and safety.

In addition, the Group periodically performs risk assessments of its activities, identifying and evaluating potential hazards. Following which, control measures are implemented in order to minimize the risks posed by its activities. If the need arises, the Group also engages external qualified safety consultants for their advice and guidance on programs and initiatives to prevent any potential occupational accidents and injury.

We have achieved zero workplace accidents resulting in fatalities or permanent injury for FY2023.

Occupational Health and Safety Management

It is our central aim to ensure that our people are safe and secure in performing their duties at work, and feel supported in terms of health, safety and hygiene. The priority of the Group has always been towards health and safety and this tone is set by our senior management, which extends to all teams and all business activities.

The Group has also obtained the bizSAFE Level 3 certification certified by the Workplace Safety and Health Council. The Level 3 certification requires the company to implement a risk management plan in the workplace to address all risks highlighted. Therefore, the Group currently uses a risk assessment and management system to keep employees safe.

This risk assessment is conducted on all possible aspect of the workplace hazards to identify and mitigate the risks of any workplace health and safety risks for our employees. The risks have been assessed based on severity and likelihood. Based on the latest risk assessment performed in FY2023, the hazards have been categorised into low, medium and high risks for 15 processes at workplaces and offices. Examples of hazards that have been categorised as "Medium Risk" are listed as follows:

[14] The number does not include the number of cleaners hired for The Concourse and Concourse Skyline as the contract we have with the appointed cleaning service provider is measured based on the performance, and hence such statistic is unknown to us.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

Process	Work Activity	Hazard	Possible Injury/Ill-health
Use of hand tools and power tools	Operation & maintenance of powered tools	Live electrical cable	Electric shock to personnel
Electrical works	Unloading of materials by lorry crane/manually	Cut by sharp edges	Cut on hand and fingers during handling
	Drilling of supports – using of "A" frame ladder	Man falling from "A" frame ladder	Body injuries, fracture of body bones, breathing problem and deafness
	Cutting cable tray	Hit by the flying parts by fibre cutting machine	Body injury, eye irritation, object stuck in the eyes and deafness
Mental well-being	Review employees' workload	Excessive workload or work paces	Job burnout, stress and anxiety
	Organisation restructuring	Stress and anxiety	Stress and anxiety

In FY2023, an activity-based risk assessment has been submitted for the renewal of bizSAFE Level 3 certification. Our bizSAFE Level 3 certification is now valid until 6 December 2026.

The processes of this risk assessment are as follows (1) identification of hazards (2) assessing the hazard risks (3) controlling the risks (4) recording any findings and (5) reviewing the controls. In the event of a reported workplace health risk or incident by any employee, the employee is expected to report the identified risk or incident to his immediate supervisor. The supervisor is expected to resolve the hazard immediately or report to senior management for resolution and corrective actions to be conducted. Prior to any corrective actions, site investigations and interviews will be conducted to understand the workplace health risk or incident reported before determining the corrective actions to be taken.

As the Group engages contractors for technical repair works which involves higher risk on their workplace health and safety, we will conduct briefings prior to the start of their work. This briefing is usually conducted for at least an hour per week to remind them of the health and safety risks. The Ministry of Manpower ("MOM") approved "Work at Height" course is also provided for workers who need to work at height. As these potential risks and hazards are communicated to our employees and contractors, it is expected that they comply with the recommended course of actions to remain safe while at the workplace.

Workplace accidents are closely monitored and recorded by the Property Management department. We are pleased to report that there have been no fatalities or accidents resulting in permanent injuries involving our employees in Singapore.

In FY2023, there were no incidents of major workplace injuries, ill-health or fatalities reported among employees and contractors[15]. Out of a total of 168,000 working hours[16] contributed by employees in FY2023, the Group therefore recorded a zero rate of major workplace injuries, ill-health or fatalities. There were no incidents of non-compliance with health and safety laws resulting in fines or penalties during the year.

[15] This does not include workers who are not employees as they have their own risk assessment systems.

[16] The total working hours was calculated based on a total headcount of 84 employees, who had worked for a standard 8 hours every day, for an estimated number of 250 working days in FY2023. The rate was calculated based on 200,000 hours worked.

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The following table reflects our commitment towards a holistic safety culture encompassing our infrastructure, knowledge, reporting and rectification:

Safety Culture	Employees	Tenants and Visitors
Infrastructure	• Safety equipment such as personal protective equipment, harnesses and ladders are provided when needed	• We conduct lift and escalator maintenances regularly to prevent malfunction • Signage of hazards is placed where risks are identified • We comply with all regulatory requirements for staircases, doors, escape routes and other similar facilities set out by the BCA and Fire Safety and Shelter Department • Fire-fighting and detection equipment are provided where necessary • Installation of CCTV cameras and around-the-clock security teams that conduct regular spot checks
Knowledge	• We provide health and safety training within our property management maintenance teams to ensure that workers are familiar with the safety requirements • Training on how to respond during emergencies is provided to equip employees with the knowledge and skills to respond effectively during emergencies	• Standard operating procedures are included in the tenant handbook, fire safety handbook and contracts with service providers, to educate them on the procedures to take during emergencies • Bi-annual fire and safety drills are conducted to familiarise workers with the steps to take during emergencies
Reporting	• A reporting protocol is in place for incidents reported by employees	• Presence of a safety manager at all properties • Mandatory appointment of a fire warden for all tenants • An annual occupancy survey is distributed to tenants to appraise our responsiveness to tenant issues, as well as the frequency and quality of our in-house maintenance team
Rectification	• We perform timely investigation and execution of preventative and corrective action • We provide hospitalisation benefits to our employees who are involved in workplace accidents	• A reporting protocol is in place for incidents reported by tenants or visitors to allow for timely investigation and execution of preventative and corrective actions

Occupational Health and Safety Targets

FY2023 Targets	Performance in FY2023	Status in FY2023
Occupational Health and Safety		
Zero workplace accidents resulting in a fatality or permanent injury	There were no incidents of workplace accidents reported amongst employees	●
To conduct workplace health and safety trainings for our employees	Workplace health and safety training only conducted for relevant property management team members However, workplace-related health and safety risk assessment has been performed by property management and the procedures to mitigate the identified risks will be shared with all departments with effect from FY2024	■

Status: ● Met ■ Partially Met ▲ Not Met

FY2024 Targets
Occupational Health and Safety
Zero workplace accidents resulting in a fatality or permanent injury
To conduct workplace health and safety trainings for our employees

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5 TALENT RETENTION

Our Workforce and Diversity

The Group does not discriminate against age or gender when it comes to staff employment in order to ensure that there is a continuous flow of highly skilled employees. Our widespread employee diversity is a major driving force in creating change and further improvement in the Group.

We strive to nurture a working environment where our employees feel valued and respected. We have developed, and formalised human resource policies that promotes the values of diversity and equal opportunity. These policies are geared towards creating a transparent, non-discriminatory and inclusive working environment that promotes employee well-being and satisfaction. There were no incidents of discrimination in FY2023.

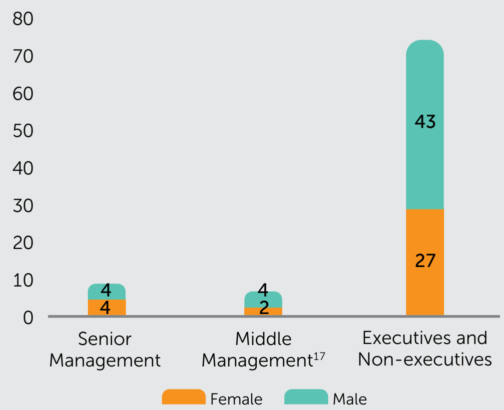
The Group's Handbook and Terms and Conditions of Employment are aligned and aims to provide employees with general guidelines about our policies, procedures and practices, terms and conditions, as well as the competitive compensation and benefits packages available to them. We base all employment decisions on merit and do not subscribe to a mandatory retirement policy, continuing to employ individuals over the national retirement age.

Additionally, we focus on diversity in our people, as we believe diversity promotes growth when people interact and build on different ideas. We aim to achieve diversity in terms of both age and gender, as disclosed in the graphs below. The Group does not hire any part-time or temporary employees, our workforce only consists of full-time, permanent employees.

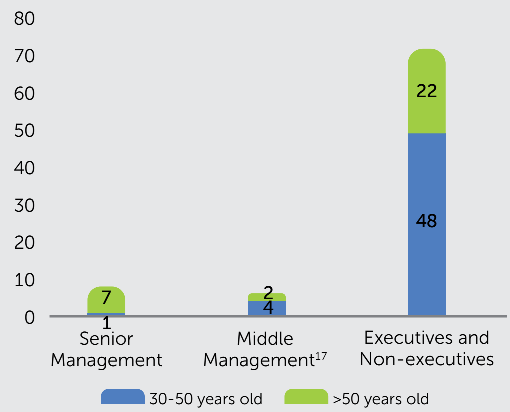
As at 31 December 2023, our total employee strength stood at 84, of which 33 are female, equivalent to 39% of total headcount. Of this number, a total of 11 new employees were hired and we had 9 employees leave the Group. This is equivalent to a new hire rate of 13% and turnover rate of 11%. In addition to gender diversity, 100% of the Group's senior management[17] were hired locally in Singapore.

Apart from our employees, we are aware that our Board should also embody essential elements such as diversity in gender and experience to provide an effective Board. As at 31 December 2023, the Board consisted of six Directors, of which one (17%) was female. We also had three (50%) independent directors on the Board to ensure independence in decision making. Please refer to page 13 of our Corporate Governance Statement for further details on our Board Diversity Policy, as well as our targets to achieve diversity on the Board.

Employees - By Gender and Category



Employees - By Age and Category



[17] Senior management refers to Vice President ("VP") and above. Middle management refers to an employee who is holding manager title, but does not include assistant manager.

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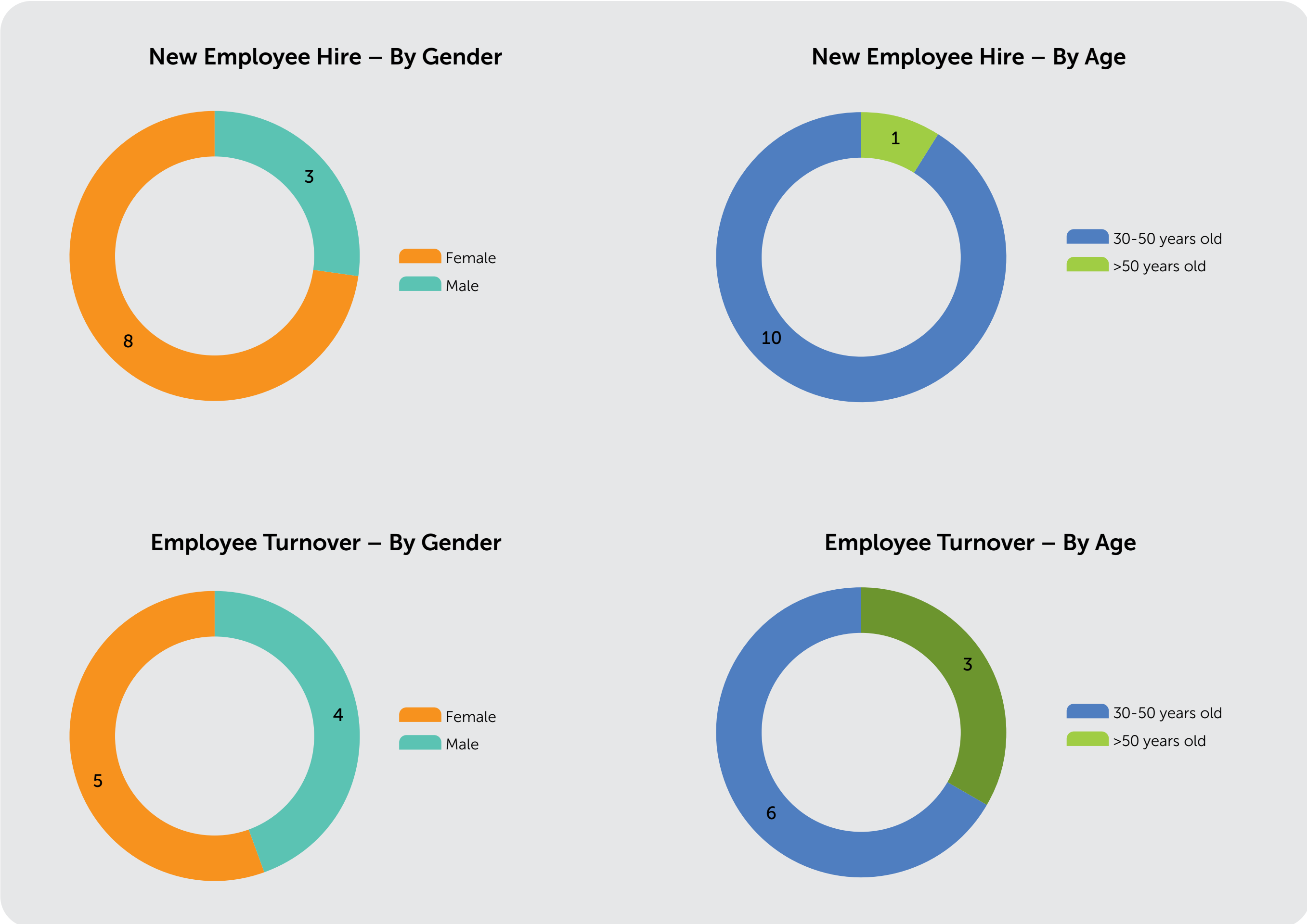

Training and Education
Although our employees possess a wide range of experience and expertise, we believe in continuous learning and development, which is in line with the ever-changing landscape of the industry and economy. The Group encourages employees to take charge of their own learning and to actively develop their technical and leadership skills by participating in a range of different internal and external trainings.

Apart from mandatory trainings targeted at helping employees further their career, the Group also encourages employees to attend re-certification courses, to update and maintain their certifications and licenses. Heads of departments oversee and monitor the training hours and developmental progress of employees under their care. They identify the mandatory trainings required for their employees and ensure full attendance for these trainings. In FY2023, total training hours amounted to 495.75 hours. On average, each employee attended on 5.90 hours of training. By employee category, the average training hours per employee by genders and by employee category are as follows:

Average Training Hours By Gender	Male	Female
Average training hours per employee (hours)	4.2	8.6

Average Training Hours By Employee Category	Senior Management	Middle Management	Executives and Non-Executives[18]
Average training hours per employee (hours)	10.1	9.1	5.2

They are also tasked to conduct performance reviews for all staff each year, to monitor their progress and reward their achievements. In FY2023, 100%[19] of our employees received an annual performance review. Employees who have obtained voluntary certifications are encouraged to monitor their own training and development requirements. Where re-certification is required, heads of departments will monitor compliance with these requirements.

[18] Executives and Non-executives: Employees at the executive level other than the managerial staff. Non-executives include also Technicians, Assistants and Secretaries.
[19] It does not include the VPs and secretaries due to different performance measurement criteria.

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Employee Well-being
We work to ensure that our people feel motivated, safe and secure as well as empowered to carry out their work in the best manner possible. The Group places emphasis on ensuring the well-being of our employees. In any instances of changes in operations, we will inform employees in accordance with the minimum notice period as indicated in the employee handbook. For Middle Management and above, a three months' notice period is required, and a one month notice period applies to the rest of the employees.

We believe that engaged, healthy and happy employees contribute to a progressive and productive workforce and is fundamental to the continuity and growth of our operations. The Group seeks to be an employer which our employees are proud to work for through our contributions to social causes. In doing so, the Group has been donating to beneficiaries such as Kong Meng San Phor Kark See Monastery, Singapore Children's Society, Autism Resource Centre (Singapore) and Moulmein-Cairnhill Citizens' Consultative Committee.

The Group also strongly advocates for the government's pro-family policies, and strictly complies with the MOM's guidelines regarding parental leave. In order to attract more staff and to increase employee welfare, all employees of the Group are entitled to parental and childcare leave, regardless of genders. In FY2023, no employee took parental leave and nine eligible employees took childcare leave.

All employees of the Group are entitled to a range of benefits including Group Personal Accident and Group Hospitalisation & Surgical insurance coverage. Our employees are covered under the Work Injury Compensation Act.

The Group and our employees have been making monthly contributions to their Central Provident Fund ("CPF")[20] accounts in accordance with Singapore's statutory requirements.

Talent Retention Targets

FY2023 Targets	Performance in FY2023	Status in FY2023
Training and Education		
Conduct annual performance appraisals for all employees	All employees received their annual appraisals in FY2023	●
Achieve at least 4 training hours for each employee	On average, each employee received 5.9 hours of trainings in FY2023	●

Status: ● Met ■ Partially Met ▲ Not Met

FY2024 Targets
Training and Education
Conduct annual performance appraisals for all employees
Achieve at least 4 average hours of training for each employee

CLIMATE RELATED DISCLOSURES
Taskforce on Climate-related Financial Disclosures
As a long-term owner and manager of real estate, the Group recognises the potential for the economic transition to a low carbon economy to affect our revenue, assets and business operations.

This section describes our first set of disclosures on how we manage climate-related risk and opportunities with reference to the recommendations of TCFD.

[20] In Singapore, CPF is a mandatory social security savings scheme funded by contributions from employers and employees. It is implemented by the Singapore government to enforce savings by salaried workers for a more secure retirement. CPF funds can be used for retirement, healthcare, housing, investment and etc.

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Following the four key pillars recommended by TCFD, we provides disclosures on climate-related aspects of our governance, strategy, risk management and performance metrics and targets, as outlined in the table below:

TCFD Pillar	Recommended Disclosures	Approach/Action	Status in FY2023
Governance	Describe the Board's oversight of climate-related risks and opportunities	The STF has assessed and identified the climate-related risks and opportunities based on the TCFD framework. The STF has also articulated its strategies and mitigation on these risks and opportunities. The consolidated risks and opportunities as well as mitigation strategies were reported to the Board. The Board has collectively reviewed and approved the climate risks and opportunities identified by the STF. It endeavours to implement and continuously fine tune its sustainability governance structure by engaging the assistance of the STF and the operational leadership to oversee the climate mitigation strategies. Moving forward, the Board will be updated on the progress at least once a year or whenever necessary.	●
	Describe management's role in assessing and managing climate-related risks and opportunities	The identification and assessment of climate-related risks and opportunities were undertaken by the STF which comprises of the Group's senior management. The STF is supporting the Board to implement the identified climate-related strategies from ground up together with the support of the operational leadership teams. The operational leaders and the STF regularly review the progress and strategies within their operational sites to ensure that the strategies are implemented accordingly. For critical decisions pertaining to sustainability, the STF and operational leaders will agree on and implement the changes accordingly.	●
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	The Group has engaged an external ESG consultant to assist the STF in identifying the climate-related risks and opportunities. For FY2023, the Group was to assess the impacts of these climate-related risks and opportunities onto the specified assets within the reporting scope.	●
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Please refer to the section on Climate Risks and Opportunities for more information.	●
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	In line with Singapore Exchange Regulation's phased implementation approach for TCFD adoption, the Group has been synchronising our efforts to mitigate climate change with the Singapore Green Plan 2030, in order to limit the rise in average global temperature by 1.5°C.The Group will firstly be detailing how we are aligning our plan in FY2023 to effectively maintain our climate resilience within the scenario.	■

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TCFD Pillar	Recommended Disclosures	Approach/Action	Status in FY2023
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Climate-related risks are primarily identified through the results of our climate-related risk assessment. The key climate-related risks facing the Group are outlined in the section on Climate Risks and Opportunities.	●
	Describe the organisation's processes for managing climate-related risks	The Group manages its climate-related risks on an asset-level basis. Our climate risk assessment is performed on a representative sample of the Group's properties which include International Building, 362 & 364 Orchard Road, The Concourse and Concourse Skyline in Singapore. The leadership at asset level will meet with the Group's Management regularly to highlight potential climate-related risks and undertake appropriate contingency planning and actions to mitigate these risks.	●
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	As part of managing the overall risk management, the Board and management team will undertake a periodic review of the identified climate-related risks and the risk management approach.	●
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	The Group recognises that the consumption of energy is indispensable within its operations coupled with the increasing awareness and emphasis placed on the measurement of one's carbon footprint, and has decided to begin tracking the carbon footprint of our properties. This allows the Group to be better informed of our carbon footprint and begin reducing our carbon footprint on the environment. Scope 1 emissions arises from our direct consumption of fossil fuels while Scope 2 emissions arises from electricity consumption procured from the electricity providers.	●
	Disclose Scope 1[21], Scope 2[22], and if appropriate, Scope 3[23] GHG emissions, and the related risks	As progressed from our first year of tracking GHG emissions in FY2022, the Group continues to track Scope 1 and 2 emissions respectively according to the GHG accounting protocol. In line with SGX-ST's phased implementation approach for TCFD adoption, the Group shall evaluate the need to quantify and monitor Scope 3 GHG emissions in the subsequent sustainability report when it becomes mandatory. For our energy consumption and emissions performance, please refer to the data disclosed in the section on Energy and Emissions.	■
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group shall continue to monitor its emissions footprint and quantitative emissions reduction targets. The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.	■

Status: ● Implemented ■ Commenced, in progress

The table above summarises our considerations of each element in our disclosures. With the increasingly volatile climate, our implementations and alignment of our disclosures will evolve over time.

21 Scope 1 GHG emissions which are emissions resulting from the sources owned or controlled by the Group.
22 Scope 2 GHG emissions are resulted from the generation of purchased electricity consumed by the Group.
23 Scope 3 GHG emissions are emissions from sources not owned or controlled by the Group such as the Group's value chain.

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Climate Risks and Opportunities

The Group has aligned the identification of our climate-related risks and opportunities with the TCFD framework which considers the following:

- Transition risks: include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholders expectations
- Physical risks: risks relating to the physical impacts of climate change (both acute and chronic)

The table below reflects the Group's understanding of the most significant climate-related risks that is relevant to our business by considering inputs from senior management with the assistance of an external consultant. We recognise that the list is not exhaustive and we will continue to enhance our understanding and responses to these risks.

Transition and Physical Risks	Description	Risk Mitigation
Transition Risks (Policy and Legal)	The Singapore government has announced a roadmap to gradually increase carbon taxes. In Singapore, the existing carbon tax rate of S\$5/tCO_2e is expected to increase from 2024 onwards. By 2030, the rate of carbon tax is expected to reach \$50-\$80/tCO_2e. Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Short, Medium, Long Likelihood[29]: More likely Financial Impact: Higher operational cost associated with energy usage	The Group has installed a Building Automation System which pre-sets temperatures and monitors air conditioning system in The Concourse. The Concourse used a significant amount of green electricity from an electricity retailer. The adoption of green electricity will assist in Singapore's transition to widely adopt "Green Energy" in power generation and reduce carbon emissions by 2030. These further contribute to saving the energy consumption within the short term and maintaining the Green Mark certification. Over the longer term, the Group will consider the following measures: • Regular assessment of latest technology available to improve energy efficiency. • Assess possibility of installing renewal energy production. For example, we had engaged with consultants to study the use of solar panelling/ solar energy at International Building. However, the study revealed that it was not feasible to adopt solar panelling at International Building due to physical constraints. We will continue to explore other options going forward. Further, we are currently evaluating the feasibility of installing solar panelling at The Concourse. • Continue to educate tenants. • Fit common areas with motion sensors and LED lights. • Install meters to monitor energy and water consumption of water and cooling systems. We shall continue to monitor and improve the operating efficiency of the properties, as well as provide further details on building features which are aimed at improving energy and water efficiency. These are targeted towards achieving "Energy Reset" of the Singapore Green Plan 2030 so the climate-related scenario of 2°C will be a less alarming issue.

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Transition and Physical Risks	Description	Risk Mitigation
	Changes in built environment regulations could lead to more stringent energy performance for the Group's buildings. Changes in Singapore's building requirements are reflected in the Singapore Green Building Masterplan which contains 3 overarching targets for the built environment: • Green 80% of Singapore buildings by 2030 • 80% of new buildings to be Super Low Energy ("SLE") buildings from 2030 • Best-in-class green buildings to see an 80% improvement in energy efficiency (over 2005 levels) by 2030 Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Short, Medium, Long Likelihood[29]: Likely Financial Impact: • Declining value of investment property if it does not achieve the necessary Green Mark certification and energy efficiency requirements as required • Increased costs to assess and maintain Green Mark certification and mitigation practices in order for alignment	The Group has contributed to the Singapore Green Plan 2030[24] "Greener Infrastructure and Buildings" targets by having both of our investment properties in Singapore Green Mark certified. According to National Building Energy Benchmarks for Commercial Buildings (2020)[25], the Group has also maintained its Energy Use Intensity ("EUI") at the top of the 2nd quartile[26], close to the 1st quartile[27]. The Group shall continue to assess the feasibility to achieve or maintain Green Mark certification on all investment properties in Singapore. The Group's properties have engaged and will continue to engage with the service provider to provide retail cooling services to maintain sustainable operations and Green Mark Certification over the longer term. The Group has also played a part in achieving Singapore Green Plan 2030 "Cleaner-energy Vehicles" targets by installing a total of four EV charging stations (increased by three from one) in The Concourse and Concourse Skyline. The Group shall continue to identify innovative low carbon technologies and energy-saving measures to maintain Green Mark certification and energy efficiency, and remain in alignment with the objectives of Singapore Green Plan 2030. Additionally, the Group aims to further enhance EUI into the 1st quartile of the National Building Energy Benchmarks for Commercial Buildings (2020). All these efforts are directed towards the ultimate goal to constrain the rise in the global average temperature to within 2°C.
Transition Risk (Market)	• Failure to adopt best industry practices as compared to other competitors may reduce demand for the Group's properties and impact the Group's reputation • Tenants are considering ESG performance or energy-saving practices of a building before leasing the space. A premium rental rate is acceptable by these tenants if future proofing against climate resilience has been incorporated. The Group may lose out in attracting tenants/ occupiers as a result. Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Medium, Long Likelihood[29]: Unlikely	Aside from all the sustainability-related practices mentioned above, the Group also made progress on building the "City in Nature" as part of the Singapore Green Plan 2030, through greening every roof terrace at The Concourse. The Group shall regularly engage with tenants and stakeholders on ESG issues and improve our ESG disclosures to meet stakeholders' expectations. By doing so, we hope to foster a collaborative effort, to eventually advance global climate-related ambitions.
	Financial Impact: Reduced revenue due to reduced demand	

[24] Singapore Green Plan 2030 has set out five key pillars with ambitious and concrete targets as seen in https://www.greenplan.gov.sg/targets/
[25] BCA Building Energy Benchmarking Report (Statistics and Figures) 2021
[26] 2nd quartile: EUI Range = 124 – 163 kWh/m^2.yr for large Office Building type
[27] 1st quartile: EUI Range = ≤ 124 kWh/m^2.yr for large Office Building type
[28] Time period: Short: < 3 years, Medium: 3-5 years, Long: > 5 years
[29] Likelihood: Unlikely, Likely, More Likely

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Transition and Physical Risks	Description	Risk Mitigation
Physical Risks (Acute)	The Group may experience greater frequency of acute weather events such as flooding, arising from extreme rainfall events. Physical infrastructure damage, supply chain disruption and subsequent work stoppages may all be potential consequences. Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Medium, Long Likelihood[29]: More likely Financial Impact: • Increased cost to mitigate against flooding events • Reduced revenue or delayed revenue recognition • Declined property value	The government authority in Singapore is taking the necessary actions to avoid the occurrence of floods in downtown areas where our properties are located. In addition to existing climate adaptation measures implemented by the local government such as compliance with PUB's flood prevention regulations, risks such as disruptions to business, physical infrastructure damage, value chain disruptions and negative health impacts shall be mitigated and addressed appropriately with action plans involving the supply chain.
Physical Risks (Chronic)	The prevalence of higher average ambient temperatures may lead to higher cooling and heating, ventilation and air conditioning ("HVAC") operating costs. Extreme temperature changes may also affect employees' health. This could include increased thermal discomfort and the risks of heat-related illnesses which may result in temporary work stoppages Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Medium, Long Likelihood[29]: More likely Financial Impact: Increased operational expenses	The Group's strategic action plan to both directly and indirectly controlling its environmental impacts on emission generation and temperature increase includes: • There is landscaping at all the roof terraces of The Concourse. In FY2023, we extended our greening efforts and planted green groves on 38th and 39th floors of the building. This greenery will help us which will directly contribute to natural cooling of the surrounding air temperature. • Lighting and HVAC upgrading (replacing air-conditioning, fans and motors to be more energy efficient). • Use of renewable energy (The Concourse used a significant amount of green electricity from an electricity retailer) and installation of more EV chargers. • Tenant education. • Digital monitoring.

Although the Group faces a significant exposure to climate-related risks in the medium to long term, opportunities in a low-carbon economy as a result of a successful economic transition are likely to surface.

Opportunities	Description	Management's Response
Market	Developers are increasingly embracing green or sustainability-linked loans or bonds, while local banks are taking a closer look at ESG risks when providing project financing, indicating the growing mainstream adoption of green financing. The Group can increase its access to funding by complying with sustainability practices and meeting investor expectations Impact Area: • International Building • 362 & 364 Orchard Road • The Concourse • Concourse Skyline Time period[28]: Medium, Long Likelihood[29]: More likely Financial Impact: • Lower costs of financing • Increased access to capital	The Group shall explore green loans, to be used in ongoing and future retrofitting or future sustainability-related strategies and continue to improve our ESG disclosures to meet investor expectations for sustainability-related information. The Group will also continue exploring possibilities to make our assets more environmentally friendly and integrate low-carbon and energy-saving features wherever feasible. The retrofitting initiatives, including installation of more EV chargers, green grove plantation and the contract with the service provider for more energy-efficient retail cooling systems present the efforts towards the Group's ESG goals.

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GRI CONTENT INDEX

Statement of use	Hong Fok Corporation Limited has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report (pages 6 and 7)	No omission is permitted for these disclosures.		
	2-2 Entities included in the organisation's sustainability reporting	About This Report			
	2-3 Reporting period, frequency and contact point	About This Report			
	2-4 Restatements of information	About This Report			
	2-5 External Assurance	About This Report			
	2-6 Activities, value chain and other business relationships	Annual Report (pages 6 and 7)			
	2-7 Employees	Talent Retention			
	2-8 Workers who are not employees	Talent Retention			
	2-9 Governance structure and composition	Annual Report (Corporate Governance Statement)			
	2-10 Nomination and selection of the highest governance body	Annual Report (Corporate Governance Statement)			
	2-11 Chair of the highest governance body	Annual Report (Corporate Governance Statement)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance and Ethics			
	2-13 Delegation of responsibility for managing impacts	Governance and Ethics			
	2-14 Role of the highest governance body in sustainability reporting	Governance and Ethics			
	2-15 Conflicts of interest	Annual Report (Corporate Governance Statement)			
	2-16 Communication of critical concerns	Annual Report (Corporate Governance Statement)			
	2-17 Collective knowledge of the highest governance body	Annual Report (Corporate Governance Statement)			
	2-18 Evaluation of the performance of the highest governance body	Annual Report (Corporate Governance Statement)			

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GRI Standard/ Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation
	2-19 Remuneration policies	Annual Report (Corporate Governance Statement)			
	2-20 Process to determine remuneration	Annual Report (Corporate Governance Statement)			
	2-21 Annual total compensation ratio	–	a, b, c[30]	Confidential Constraints	Intense competition in the industry
	2-22 Statement on sustainable development strategy	Board Statement			
	2-23 Policy commitments	Governance and Ethics			
	2-24 Embedding policy commitments	Respective ESG material topics			
	2-25 Processes to remediate negative impacts	Respective ESG material topics			
	2-26 Mechanisms for seeking advice and raising concerns	Governance and Ethics • Whistle-blowing Policy			
	2-27 Compliance with laws and regulations	Governance and Ethics • Corporate Compliance			
	2-28 Membership associations	We are a member of the • Real Estate Developers' Association of Singapore • Orchard Road Business Association			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment			
	2-30 Collective bargaining agreements	–	a, b[31]	Not Applicable	We do not have employees who are covered by collective bargaining agreements
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment			
	3-2 List of material topics	Stakeholder Engagement and Materiality Assessment			

30 (a) The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);
(b) The ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);
(c) Contextual information necessary to understand the data and how the data has been compiled.

31 (a) The percentage of total employees covered by collective bargaining agreements;
(b) For employees not covered by collective bargaining agreements, report whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations.

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GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Governance and Ethics					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance and Ethics			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report (page 76)			
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Related Disclosures			
	201-4 Financial assistance received from government	Annual Report (page 109)			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance and Ethics • Anti-corruption and Anti-money Laundering			
	205-2 Communication and training on anti-corruption policies and procedures	Governance and Ethics • Anti-corruption and Anti-money Laundering			
	205-3 Confirmed incidents of corruption and actions taken	Governance and Ethics • Anti-corruption and Anti-money Laundering			
GRI 207: Tax 2019	207-1 Approach to tax	Governance and Ethics • Tax			
	207-2 Tax governance, control, and risk management	Governance and Ethics • Tax			
	207-3 Stakeholder engagement and management of concerns related to tax	Governance and Ethics • Tax			
	207-4 Country-by-country reporting	–	a, b, c[32]	Information Unavailable	We will disclose in the subsequent years

[32] (a) All tax jurisdictions where the entities included in the organisation's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.
(b) For each tax jurisdiction reported in Disclosure 207-4-a:
(i) Names of the resident entities;
(ii) Primary activities of the organisation;
(iii) Number of employees, and the basis of calculation of this number;
(iv) Revenues from third-party sales;
(v) Revenues from intra-group transactions with other tax jurisdictions;
(vi) Profit/loss before tax;
(vii) Tangible assets other than cash and cash equivalents;
(viii) Corporate income tax paid on a cash basis;
(ix) Corporate income tax accrued on profit/loss;
(x) Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.
(c) The time period covered by the information reported in Disclosure 207-4.

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GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Governance and Ethics • Supply Chain Management			
	308-2 Negative impacts in the supply chain and actions taken	Governance and Ethics • Supply Chain Management			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Governance and Ethics • Supply Chain Management			
	414-2 Negative social impacts in the supply chain and actions taken	Governance and Ethics • Supply Chain Management			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance and Ethics • Data Privacy and Protection			
Environmental Responsibility					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility			
GRI 302: Energy 2019	302-1 Energy consumption within the organisation	Environmental Responsibility • Energy and Emissions Management			
	302-2 Energy consumption outside of the organisation	–	a, b, c[33]	Information Unavailable	We have not started tracking energy consumed outside of the Group and we will disclose when it becomes mandatory
	302-3 Energy intensity	Environmental Responsibility • Energy and Emissions Management			
	302-4 Reduction of energy consumption	Environmental Responsibility • Energy and Emissions Management			
	302-5 Reductions in energy requirements of products and services	Environmental Responsibility • Energy and Emissions Management			

33 (a) Energy consumption outside of the organisation, in joules or multiples.
(b) Standards, methodologies, assumptions, and/or calculation tools used.
(c) Source of the conversion factors used.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Responsibility • Water Management			
	303-2 Management of water discharge related impacts	Environmental Responsibility • Water Management			
	303-3 Water withdrawal	–	a, b, c, d[34]	Not Applicable	No significant water withdrew as there is no construction project in FY2023 The Group only withdraws water from PUB
	303-4 Water discharge	–	a , b, c, d, e[35]	Not Applicable	No significant water discharged as there is no construction project in FY2023 The Group only discharges through public sewage system
	303-5 Water consumption	Environmental Responsibility • Water Management			

34 (a) Total water withdrawal from all areas in megaliters, with breakdown by five sources namely (i) Surface water, (ii) Groundwater, (iii) Seawater, (iv) Produced water, (v) Third-party water.
(b) Total water withdrawal from all areas with water stress in megaliters, with breakdown by five sources as listed in (a).
(c) A breakdown of total water withdrawal from each of the source listed in (a) and (b) in megaliters by
(i) Freshwater (≤1,000 mg/L Total Dissolved Solids);
(ii) Other water (>1,000 mg/L Total Dissolved Solids).
(d) Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

35 (a) Total water discharged to all areas in megaliters, with breakdown of this total by destinations, namely (i) Surface water, (ii) Groundwater, (iii) Seawater and (iv) Third-party water.
(b) A breakdown of total water discharged to all areas in megaliters by
(i) Freshwater (≤1,000 mg/L Total Dissolved Solids);
(ii) Other water (>1,000 mg/L Total Dissolved Solids).
(c) Total water discharged to all areas with water stress in megaliters, and a breakdown of this total by
(i) Freshwater (≤1,000 mg/L Total Dissolved Solids);
(ii) Other water (>1,000 mg/L Total Dissolved Solids).
(d) Priority substances of concern for which discharges are treated, including:
(i) how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;
(ii) the approach for setting discharge limits for priority substances of concern;
(iii) number of incidents of non-compliance with discharge limits.
(e) Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Responsibility • Energy and Emissions Management			
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Responsibility • Energy and Emissions Management			
	305-3 Other indirect (Scope 3) GHG emissions	–	a, b, c, d, e, f, g[36]	Information Unavailable	We have not started tracking Scope 3 GHG emissions and we will disclose when it becomes mandatory
	305-4 GHG emissions intensity	Environmental Responsibility • Energy and Emissions Management			
	305-5 Reduction of GHG emissions	Environmental Responsibility • Energy and Emissions Management			
	305-6 Emissions of ozone-depleting substances (ODS)	Environmental Responsibility • Energy and Emissions Management	a, b, c, d[37]	Not Applicable	We do not emit these emissions through our products and services
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Responsibility • Energy and Emissions Management	a, b, c[38]	Not Applicable	We do not emit these emissions through our products and services

36 (a) Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent.
(b) If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.
(c) Biogenic CO_2 emissions in metric tons of CO_2 equivalent.
(d) Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.
(e) Base year for the calculation, if applicable, including
(i) the rationale for choosing it;
(ii) emissions in the base year;
(iii) the context for any significant changes in emissions that triggered recalculations of base year emissions.
(f) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
(g) Standards, methodologies, assumptions, and/or calculation tools used.

37 (a) Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.
(b) Substances included in the calculation.
(c) Source of the emission factors used.
(d) Standards, methodologies, assumptions, and/or calculation tools used.

38 (a) Significant air emissions, in kilograms or multiples, for each of
(i) NOx,
(ii) SOx,
(iii) Persistent organic pollutants (POP),
(iv) Volatile organic compounds,
(v) Hazardous air pollutants,
(vi) Particulate matter,
(vii) Other standard categories of air emissions identified in relevant regulations.
(b) Source of the emission factors used.
(c) Standards, methodologies, assumptions, and/or calculation tools used.

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Responsibility • Waste Management			
	306-2 Management of significant waste related impacts	Environmental Responsibility • Waste Management			
	306-3 Waste generated	Environmental Responsibility • Waste Management			
	306-4 Waste diverted from disposal	Environmental Responsibility • Waste Management			
	306-5 Waste directed to disposal	Environmental Responsibility • Waste Management			
Building and Facilities Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Building and Facilities Management			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Building and Facilities Management			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Building and Facilities Management			

SUSTAINABILITY REPORT
YEAR ENDED 31 DECEMBER 2023

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Building and Facilities Management • Occupational Health and Safety Management			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety • Occupational Health and Safety Management			
	403-3 Occupational health services	Occupational Health and Safety • Occupational Health and Safety Management			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety • Occupational Health and Safety Management			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety • Occupational Health and Safety Management			
	403-6 Promotion of worker health	Occupational Health and Safety • Occupational Health and Safety Management			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety • Occupational Health and Safety Management			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety • Occupational Health and Safety Management			
	403-9 Work-related injuries	Occupational Health and Safety • Occupational Health and Safety Management			
	403-10 Work-related ill health	Occupational Health and Safety • Occupational Health and Safety Management			
Talent Retention					
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Retention			
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Talent Retention • Employee Well-being			

SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2023

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Retention • Our Workforce and Diversity			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Retention • Our Workforce and Diversity			
	401-3 Parental leave	Talent Retention • Employee Well-being			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Talent Retention • Employee Well-being			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Retention • Training and Education			
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Retention • Training and Education			
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Retention • Training and Education			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Talent Retention • Our Workforce and Diversity			
	405-2 Ratio of basic salary and remuneration of women to men		a, b[39]	Confidentiality Constraints	Salary is determined by position, qualification and experience – No disclosure as information is confidential
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Talent Retention • Our Workforce and Diversity			

[39] (a) Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
(b) The definition used for significant locations of operation.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2023

We are pleased to present this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 75 to 127 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Executive Directors
Mr Cheong Pin Chuan
Mr Cheong Sim Eng
Ms Cheong Hooi Kheng

Non-executive Independent Directors
Mr Chan Pengee, Adrian
Mr Chong Weng Hoe
Mr Kwik Sam Aik (Appointed on 1 August 2023)
Mr Tan Kok Kwee (Appointed on 1 February 2024)

Alternate Director
Mr Cheong Tze Hong, Marc
(Alternate Director to Mr Cheong Pin Chuan)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in its subsidiary corporations (other than wholly owned subsidiary corporations) are as follows:

Name of Director and Corporation in which Interests are Held	Holdings at Beginning of the Year	Holdings at End of the Year
Hong Fok Corporation Limited		
Ordinary shares		
Mr Cheong Pin Chuan		
– direct interest held	20,969,328	20,969,328
– deemed interests	150,323,053	150,323,053
Mr Cheong Sim Eng		
– direct interest held	114,431,756	114,431,756
– deemed interests	53,659,778	53,659,778
Ms Cheong Hooi Kheng		
– direct interest held	14,832,180	14,832,180
Mr Cheong Tze Hong, Marc		
– direct interest held	2,000,000	2,000,000

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2023

Name of Director and Corporation in which Interests are Held	Holdings at Beginning of the Year	Holdings at End of the Year
Hong Fok Land International Limited		
Ordinary shares		
Mr Cheong Pin Chuan		
– deemed interests	22,835,343	22,835,343
Ms Cheong Hooi Kheng		
– direct interest held	13,444,418	13,444,418

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the beginning of the financial year, or at the date of appointment if later, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and as at 21 January 2024.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares, debentures, warrants or share options of the Company or any other body corporate.

SHARE OPTIONS

During the financial year, there were:

(a) no options granted by the Company or any of its subsidiary corporations to any person to take up unissued shares in the Company or its subsidiary corporations; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee during the year and at the date of this statement are:

Mr Kwik Sam Aik (Chairman, appointed on 1 September 2023)
Mr Chan Pengee, Adrian
Mr Chong Weng Hoe
Mr Lim Jun Xiong, Steven (Chairman, stepped down on 1 September 2023)

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance 2018.

The Audit and Risk Management Committee has held four meetings since the last Directors' Statement. In performing its functions, the Audit and Risk Management Committee met with the Company's external and internal auditors to discuss the scope of their work (including the external auditors' audit plan), the results of their examination (including the external auditors' audit report) and evaluation of the Company's internal accounting control system.

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Group's officers and the Company's officers to the internal and external auditors;
- condensed interim financial statements and annual financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST); and
- the scope and results of the Group's internal audit procedures.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2023

The Audit and Risk Management Committee has full access to Management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or officer to attend its meetings. The Audit and Risk Management Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiary corporations and significant associated companies, we have complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

CHEONG SIM ENG
Director

CHEONG HOOI KHENG
Director

28 March 2024

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2023

MEMBERS OF THE COMPANY
HONG FOK CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Hong Fok Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 127.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

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

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

Valuation of investment properties
(Refer to Note 7 to the Financial Statements)

Risk:
The Group has a portfolio of investment properties located in Singapore and Hong Kong. Investment properties represent the single largest category of assets on the consolidated statement of financial position, amounting to $3,466,696,000, 94.6% (2022: $3,391,541,000, 94.8%) of total assets as at 31 December 2023.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement and estimate regarding the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Our response:
We evaluated the qualifications, competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation methodologies and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types and the requirements under the listing rules. We evaluated the appropriateness of the key assumptions used in the valuations, which included discount rate, terminal capitalisation rate and prices per square feet by comparing them against historical rates, market comparable and industry data, taking into consideration comparability and market factors.

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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2023

Our findings:
The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and meet the requirements under the listing rules. The key assumptions used in the valuations were supported by the evidence available and are within the range of industry and market data. The disclosures in the financial statements are appropriate.

Other Information
Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2023

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Voo Poh Jee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current Assets					
Property, plant and equipment	4	**1,484**	1,760	**–**	–
Right-of-use assets	33	**180**	466	**–**	–
Subsidiaries	5	**–**	–	**853,278**	853,278
Associate and joint venture		**–**	#	**–**	–
Investment properties	7	**3,466,696**	3,391,541	**–**	–
Other assets	8	**315**	264	**–**	–
Other investments	9	**#**	#	**–**	–
Pledged bank deposits	14	**3,789**	3,899	**–**	–
Deferred tax assets	10	**–**	816	**–**	–
		3,472,464	3,398,746	**853,278**	853,278
Current Assets					
Other investments	9	**16,674**	19,603	**–**	–
Development properties	11	**108,981**	122,306	**–**	–
Trade and other receivables	12	**3,591**	3,282	**32**	27
Amounts due from subsidiaries	13	**–**	–	**258,968**	225,317
Current tax assets		**3**	–	**–**	–
Cash and cash equivalents	14	**63,517**	32,103	**1,159**	1,482
		192,766	177,294	**260,159**	226,826
Total Assets		**3,665,230**	3,576,040	**1,113,437**	1,080,104
Equity Attributable to Owners of the Company					
Share capital	15	**186,688**	186,688	**186,688**	186,688
Treasury shares	15	**(143,670)**	(143,573)	**(42,620)**	(42,523)
Reserves	16	**2,246,578**	2,169,105	**615,499**	625,147
		2,289,596	2,212,220	**759,567**	769,312
Non-controlling interests	6	**604,135**	602,452	**–**	–
Total Equity		**2,893,731**	2,814,672	**759,567**	769,312
Non-current Liabilities					
Loans and borrowings	17	**712,688**	700,420	**–**	–
Trade and other payables	18	**10,828**	10,842	**–**	–
Lease liabilities	33	**45**	96	**–**	–
Deferred tax liabilities	10	**502**	610	**–**	–
		724,063	711,968	**–**	–
Current Liabilities					
Trade and other payables	18	**40,331**	38,653	**1,515**	1,390
Lease liabilities	33	**150**	426	**–**	–
Contract liabilities	20	**41**	107	**–**	–
Amounts due to subsidiaries	13	**–**	–	**352,355**	309,402
Current tax liabilities		**6,914**	10,214	**–**	–
		47,436	49,400	**353,870**	310,792
Total Liabilities		**771,499**	761,368	**353,870**	310,792
Total Equity and Liabilities		**3,665,230**	3,576,040	**1,113,437**	1,080,104

Amount less than $1,000

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

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Revenue	20	**110,601**	153,919	**–**	–
Other income	21	**159**	340	**–**	–
		110,760	154,259	**–**	–
Depreciation of property, plant and equipment	4	**(599)**	(1,008)	**–**	–
Depreciation of right-of-use assets	33	**(394)**	(406)	**–**	–
Gain/(Loss) on disposal of property, plant and equipment		**14**	(#)	**–**	–
Gain on revaluation of investment properties	7	**87,110**	197,339	**–**	–
Loss on disposal of investment property		**(74)**	–	**–**	–
Impairment loss written back on other assets	8	**53**	10	**–**	–
Changes in fair value of other investments at fair value through profit or loss		**1,326**	(1,147)	**–**	–
Cost of sales of development properties		**(15,024)**	(40,566)	**–**	–
Impairment loss on trade receivables, net	28	**(109)**	(2)	**–**	–
Bad debts recovered, net		**–**	22	**–**	–
Commitment fee on unutilised bank facilities		**(1,400)**	(1,390)	**–**	–
Employee benefit expenses	22	**(23,419)**	(21,074)	**–**	–
Lease expenses	33	**(202)**	(200)	**–**	–
Maintenance expenses		**(10,269)**	(8,940)	**–**	–
Professional fees		**(1,130)**	(2,281)	**(302)**	(465)
Property tax		**(6,666)**	(5,747)	**–**	–
Rental commission		**(934)**	(699)	**–**	–
Exchange loss, net		**(400)**	(72)	**(522)**	(130)
Other expenses		**(3,503)**	(3,459)	**(653)**	(630)
		135,140	264,639	**(1,477)**	(1,225)
Finance income	23	**2,488**	1,164	**22**	7
Finance expense	23	**(38,555)**	(26,512)	**–**	(72)
Net finance (expense)/income	23	**(36,067)**	(25,348)	**22**	(65)
Profit/(Loss) before tax	24	**99,073**	239,291	**(1,455)**	(1,290)
Tax expense	25	**(4,055)**	(5,365)	**–**	–
Profit/(Loss) for the year		**95,018**	233,926	**(1,455)**	(1,290)
Profit/(Loss) attributable to:					
Owners of the Company		**88,068**	220,099	**(1,455)**	(1,290)
Non-controlling interests	6	**6,950**	13,827	**–**	–
Profit/(Loss) for the year		**95,018**	233,926	**(1,455)**	(1,290)
Earnings per share (cents):					
Basic	27	**13.72**	33.71		
Diluted	27	**13.72**	33.71		

\# Amount less than $1,000

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Profit/(Loss) for the year		**95,018**	233,926	**(1,455)**	(1,290)
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to Profit or Loss:					
Exchange differences on translation of financial statements of foreign subsidiaries		**(9,178)**	(1,838)	**–**	–
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		**(571)**	(145)	**–**	–
Other comprehensive income for the year, net of tax*		**(9,749)**	(1,983)	**–**	–
Total comprehensive income for the year		**85,269**	231,943	**(1,455)**	(1,290)
Total comprehensive income attributable to:					
Owners of the Company		**83,759**	219,000	**(1,455)**	(1,290)
Non-controlling interests	6	**1,510**	12,943	**–**	–
Total comprehensive income for the year		**85,269**	231,943	**(1,455)**	(1,290)

* There was no tax effect on the components included in other comprehensive income.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group	Note	Share Capital $'000	Treasury Shares $'000	Capital and Other Reserves $'000	Translation Reserves $'000	Retained Profit $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
		Attributable to Owners of the Company							
At 1 January 2022		186,688	(120,377)	1,188	(11,866)	1,944,586	2,000,219	616,662	2,616,881
Total comprehensive income for the year									
Profit for the year		–	–	–	–	220,099	220,099	13,827	233,926
Other comprehensive income									
Exchange differences on translation of financial statements of foreign subsidiaries		–	–	7	(961)	–	(954)	(884)	(1,838)
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		–	–	–	(145)	–	(145)	–	(145)
Total other comprehensive income, net of tax		–	–	7	(1,106)	–	(1,099)	(884)	(1,983)
Total comprehensive income for the year		–	–	7	(1,106)	220,099	219,000	12,943	231,943
Transactions with Owners, recorded directly in Equity									
Distributions to Owners									
Own shares acquired	15	–	(23,196)	–	–	–	(23,196)	–	(23,196)
Modification of bonds issued by a subsidiary		–	–	(652)	–	–	(652)	4,017	3,365
Dividend paid	26	–	–	–	–	(6,560)	(6,560)	–	(6,560)
Total Distributions to Owners		–	(23,196)	(652)	–	(6,560)	(30,408)	4,017	(26,391)
Change in Ownership Interests in Subsidiaries									
Acquisition of non-controlling interests without a change in control	35	–	–	–	–	23,409	23,409	(31,170)	(7,761)
Total Change in Ownership Interests in Subsidiaries		–	–	–	–	23,409	23,409	(31,170)	(7,761)
Total Transactions with Owners		–	(23,196)	(652)	–	16,849	(6,999)	(27,153)	(34,152)
At 31 December 2022		186,688	(143,573)	543	(12,972)	2,181,534	2,212,220	602,452	2,814,672

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group	Note	Share Capital $'000	Treasury Shares $'000	Capital and Other Reserves $'000	Translation Reserves $'000	Retained Profit $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
		Attributable to Owners of the Company							
At 1 January 2023		186,688	(143,573)	543	(12,972)	2,181,534	2,212,220	602,452	2,814,672
Total comprehensive income for the year									
Profit for the year		–	–	–	–	88,068	88,068	6,950	95,018
Other comprehensive income									
Exchange differences on translation of financial statements of foreign subsidiaries		–	–	42	(3,780)	–	(3,738)	(5,440)	(9,178)
Exchange differences on monetary items forming part of net investments in foreign subsidiaries		–	–	–	(571)	–	(571)	–	(571)
Total other comprehensive income, net of tax		–	–	42	(4,351)	–	(4,309)	(5,440)	(9,749)
Total comprehensive income for the year		–	–	42	(4,351)	88,068	83,759	1,510	85,269
Transactions with Owners, recorded directly in Equity									
Distributions to Owners									
Own shares acquired	15	–	(97)	–	–	–	(97)	–	(97)
Issuance of bonds by a subsidiary		–	–	131	–	–	131	173	304
Dividend paid	26	–	–	–	–	(6,417)	(6,417)	–	(6,417)
Total Transactions with Owners		–	(97)	131	–	(6,417)	(6,383)	173	(6,210)
At 31 December 2023		186,688	(143,670)	716	(17,323)	2,263,185	2,289,596	604,135	2,893,731

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Company	Note	Share Capital $'000	Treasury Shares $'000	Retained Profit $'000	Total $'000
At 1 January 2022		186,688	(19,327)	634,773	802,134
Loss and total comprehensive income for the year		–	–	(1,290)	(1,290)
Transactions with Owners, recorded directly in Equity					
Distributions to Owners					
Own shares acquired	15	–	(23,196)	–	(23,196)
Dividend paid	26	–	–	(8,336)	(8,336)
Total Transactions with Owners		–	(23,196)	(8,336)	(31,532)
At 31 December 2022		186,688	(42,523)	625,147	769,312
At 1 January 2023		**186,688**	**(42,523)**	**625,147**	**769,312**
Loss and total comprehensive income for the year		**–**	**–**	**(1,455)**	**(1,455)**
Transactions with Owners, recorded directly in Equity					
Distributions to Owners					
Own shares acquired	15	**–**	**(97)**	**–**	**(97)**
Dividend paid	26	**–**	**–**	**(8,193)**	**(8,193)**
Total Transactions with Owners		**–**	**(97)**	**(8,193)**	**(8,290)**
At 31 December 2023		**186,688**	**(42,620)**	**615,499**	**759,567**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

Group	Note	2023 $'000	2022 $'000
Cash Flows From Operating Activities			
Profit before tax		**99,073**	239,291
Adjustments for:			
Depreciation of property, plant and equipment	4	**599**	1,008
Depreciation of right-of-use assets	33	**394**	406
(Gain)/Loss on disposal of property, plant and equipment		**(14)**	#
Gain on revaluation of investment properties	7	**(87,110)**	(197,339)
Loss on disposal of investment property		**74**	–
Impairment loss written back on other assets	8	**(53)**	(10)
Changes in fair value of other investments at fair value through profit or loss		**(1,326)**	1,147
Impairment loss on trade receivables, net	28	**109**	2
Bad debts recovered, net		**–**	(22)
Unrealised currency translation loss, net		**354**	185
Finance income	23	**(2,488)**	(1,164)
Finance expense	23	**38,555**	26,512
		48,167	70,016
Changes in working capital:			
Development properties		**13,325**	35,793
Trade and other receivables		**(392)**	900
Trade and other payables		**117**	(915)
Contract liabilities		**(66)**	47
Cash generated from operations		**61,151**	105,841
Tax paid		**(6,645)**	(4,332)
Net Cash From Operating Activities		**54,506**	101,509
Cash Flows From Investing Activities			
Capital expenditure on investment properties		**(539)**	(70)
(Increase)/Decrease in restricted cash		**(36)**	26,038
Monies paid on behalf of joint offerors		**–**	(19,915)
Proceeds from disposal of investment property		**1,826**	–
Proceeds from disposal of property, plant and equipment		**80**	528
Proceeds from disposal of other investments		**3,932**	3,374
Purchase of property, plant and equipment		**(399)**	(435)
Purchase of other investments		**(38)**	(2,667)
Interest received		**1,398**	756
Net Cash From Investing Activities		**6,224**	7,609
Cash Flows From Financing Activities			
Decrease/(Increase) in pledged bank deposits		**94**	(285)
Interest paid		**(31,830)**	(21,613)
Dividend paid	26	**(6,417)**	(6,560)
Payment of lease liabilities		**(428)**	(432)
Payment of transaction costs on loans and borrowings		**–**	(4,603)
Repayments of loans and borrowings		**(138,952)**	(172,940)
Proceeds from loans and borrowings		**148,891**	112,298
Purchase of treasury shares	15	**(97)**	(23,196)
Acquisition of non-controlling interests	35	**–**	(7,761)
Net Cash Used In Financing Activities		**(28,739)**	(125,092)
Net Increase/(Decrease) in Cash and Cash Equivalents		**31,991**	(15,974)
Cash and cash equivalents at beginning of the year		**32,103**	48,246
Effect of exchange rate fluctuations on cash and cash equivalents held		**(613)**	(169)
Cash and Cash Equivalents at End of the Year	14	**63,481**	32,103

Amount less than $1,000

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 March 2024.

1 DOMICILE AND ACTIVITIES

Hong Fok Corporation Limited (the "Company") is a company incorporated in Singapore. The Company's registered office is at 300 Beach Road #41-00, The Concourse, Singapore 199555.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries consist of property investment, property development and construction, property management, investment trading and investment holding and management.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as the "Group entities").

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and Presentation Currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information is presented in Singapore dollars and has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of the financial statements in conformity with SFRS(I) requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

There is no critical judgement in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

Information about assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 7 – valuation of investment properties
- Note 11 – net realisable value of development properties

Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes Management that reports directly to the Executive Directors who will then have the overall responsibility for all significant fair value measurements, including Level 3 fair values.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation and valuation methodologies.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

The results of the external valuations are reported to the Executive Directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 7 – investment properties
- Note 29 – fair value of assets and liabilities

2.5 Changes in Material Accounting Policies
New Accounting Standards and Amendments
The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I)s for the first time for the annual period beginning on 1 January 2023:
- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to standards does not have a material effect on the financial statements.

Material accounting policy information
The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES
The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of Consolidation
(i) Business Combinations
The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

The Group has an option to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.9). Any gain on a bargain purchase is recognised in profit or loss immediately.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests ("NCI") are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Loss applicable to the NCI in a subsidiary is allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from Entities under Common Control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related NCI and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expense (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(vi) Subsidiaries in the Separate Financial Statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3.2 Foreign Currency

(i) Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI"), and presented in the translation reserve in equity. However, if the foreign operation is a non wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gain and loss arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment loss.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

Plant and equipment	–	3 to 5 years
Office equipment and furniture	–	1 to 5 years
Motor vehicles	–	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment loss, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including staff accommodation space and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease terms.

(ii) As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment and development properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.5 Investment Properties

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.6 Financial Instruments

(i) Recognition and Initial Measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and Subsequent Measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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The business models of the Group are as follows:

Held to collect

There are two main portfolios of financial assets that have a held-to-collect business model. The Group holds financial assets which arise from its investment properties and development properties. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

Held for trading

The Group holds a portfolio of listed equity securities and debt securities for the purposes of trading (see Note 9 for further details).

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group had no financial assets held outside trading business models that failed the solely payments of principal and interest assessment.

Non-derivative financial assets: Subsequent measurement and gain and loss

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment loss. Interest income, foreign exchange gain and loss and impairment loss are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain and loss, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gain and loss

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and loss are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and Cash Equivalents
Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share Capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

Repurchase, disposal and reissue of share capital (treasury shares)
When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Shares held by subsidiary (treasury shares)
A subsidiary's investment in the Company's shares is not treated as ordinary shares outstanding in the statement of financial position. On consolidation, the subsidiary's investment in the Company's share is reclassified as treasury shares and deducted from consolidated equity.

(vii) Intra-group Financial Guarantees in the Separate Financial Statements
Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as 'loans and borrowings'.

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3.7 Club Memberships

Club memberships are stated at cost less accumulated impairment loss. Gain or loss on disposal of club membership is determined as the difference between the net disposal proceeds and the carrying amount of the club membership and is accounted for in profit or loss as they arise.

3.8 Development Properties

Development properties for sale are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

3.9 Impairment

(i) Non-derivative Financial Assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial Assets
The carrying amounts of the Group's non-financial assets, other than investment properties, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment loss is recognised in profit or loss. Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment loss recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Revenue Recognition
(i) Revenue from Contracts with Customers
Sale of completed development properties
Revenue from sales of completed development properties is recognised when control over the property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

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The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer, revenue is recognised when the legal title is transferred to the customer or upon handover of units to the customers.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

Property management income and maintenance fee
Property management income and maintenance fee are recognised in profit or loss upon rendering of the services.

(ii) Rental Income and Hiring Charges
Rental income (net of any lease incentives) and hiring charges are recognised on a straight-line basis over the lease term.

3.11 Employee Benefits

(i) Defined Contribution Plans
Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term Employee Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Other Long-term Employee Benefits
The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield of Singapore Government Bond that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Any gain or loss is recognised in profit or loss in the period in which they arise.

(iv) Termination Benefits
Termination benefits are recognised as an expense at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

3.12 Provisions
Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3.13 Finance Income and Expense

The Group's finance income and expense include:

- interest income on late payments, pledged bank deposits, certain cash and cash equivalents and certain other investments;
- deferred day one gain on bonds;
- interest expense on loans and borrowings;
- interest expense on lease liabilities;
- amortisation of transaction costs capitalised previously; and
- amortisation of imputed interest on the bonds capitalised previously.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Tax Expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the presumption that the carrying amount of the investment properties will be recovered through sale has not been rebutted.

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Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.15 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.16 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 New Standards Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

The Group is in the process of assessing the impact of the new or amended standards on its financial statements.

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4 PROPERTY, PLANT AND EQUIPMENT

Group	Plant and Equipment $'000	Office Equipment and Furniture $'000	Motor Vehicles $'000	Total $'000
Cost				
At 1 January 2022	1,247	7,244	2,570	11,061
Additions	3	213	219	435
Disposals	(3)	(1,632)	–	(1,635)
Translation differences	–	(15)	(4)	(19)
At 31 December 2022	1,247	5,810	2,785	9,842
At 1 January 2023	**1,247**	**5,810**	**2,785**	**9,842**
Additions	**3**	**396**	**–**	**399**
Disposals	**(2)**	**(332)**	**(144)**	**(478)**
Translation differences	**–**	**(62)**	**(22)**	**(84)**
At 31 December 2023	**1,248**	**5,812**	**2,619**	**9,679**
Accumulated Depreciation				
At 1 January 2022	1,240	5,583	1,382	8,205
Depreciation for the year	4	760	244	1,008
Disposals	(3)	(1,104)	–	(1,107)
Translation differences	–	(19)	(5)	(24)
At 31 December 2022	1,241	5,220	1,621	8,082
At 1 January 2023	**1,241**	**5,220**	**1,621**	**8,082**
Depreciation for the year	**3**	**360**	**236**	**599**
Disposals	**(2)**	**(324)**	**(86)**	**(412)**
Translation differences	**–**	**(57)**	**(17)**	**(74)**
At 31 December 2023	**1,242**	**5,199**	**1,754**	**8,195**
Carrying Amounts				
At 1 January 2022	7	1,661	1,188	2,856
At 31 December 2022	6	590	1,164	1,760
At 31 December 2023	**6**	**613**	**865**	**1,484**

5 SUBSIDIARIES

Company	2023 $'000	2022 $'000
Equity investments at cost	**228,870**	228,870
Impairment loss	**(115)**	(115)
	228,755	228,755
Amounts due from subsidiaries	**634,824**	634,824
Impairment loss	**(10,301)**	(10,301)
	624,523	624,523
	853,278	853,278

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Impairment Loss

The movements in impairment loss on investments in subsidiaries are as follows:

Company	2023 $'000	2022 $'000
At 1 January and 31 December	**(115)**	(115)

The Company assessed the carrying amount of its investment in subsidiaries for indicators of impairment and reversal of impairment.

Based on the assessment, the Company did not identified any indicators of impairment and reversal of impairment.

Amounts Due from Subsidiaries

Amounts due from subsidiaries are non-trade in nature, unsecured and interest free. The settlement of these amounts is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in subsidiaries.

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Ownership Interest Held by the Group 2023 %	2022 %
Yat Yuen Hong Holdings Pte. Ltd.	Singapore	**100.00**	100.00
Yat Yuen Hong Company Limited and its subsidiary:	Singapore	**100.00**	100.00
Super Homes Pte. Ltd.	Singapore	**100.00**	100.00
Hong Fok Homes Pte Ltd	Singapore	**100.00**	100.00
Cecil Land Development Pte Ltd	Singapore	**100.00**	100.00
Hong Fok Land Ltd and its subsidiary:	Singapore	**100.00**	100.00
Jemmax Investments Pte Ltd	Singapore	**100.00**	100.00
Hong Fok Commercial Pte. Ltd.	Singapore	**100.00**	100.00
Hong Fok Realty Pte. Ltd.	Singapore	**100.00**	100.00
Vista Parking Services Pte Ltd	Singapore	**100.00**	100.00
Hong Fok Nominees Pte. Ltd.	Singapore	**100.00**	100.00
Broadway Development Pte Ltd	Singapore	**100.00**	100.00
Turie Pte Ltd	Singapore	**100.00**	100.00
Defoe Pte Ltd and its subsidiary:	Singapore	**100.00**	100.00
Brisco Pte Ltd	Singapore	**100.00**	100.00
Rasco Pte Ltd	Singapore	**100.00**	100.00
Biogem International Pte Ltd	Singapore	**100.00**	100.00
HFC Ventures.com Co Pte Ltd	Singapore	**100.00**	100.00
Cocre8 Pte. Ltd.	Singapore	**100.00**	100.00
Warranty Management Pte Ltd	Singapore	**100.00**	100.00
Maincon (Building) Pte. Ltd. and its subsidiary:	Singapore	**100.00**	100.00
Elegant Homes Pte Ltd	Singapore	**100.00**	100.00
Goldease Investments Limited and its subsidiaries:	Singapore/British Virgin Islands	**100.00**	100.00
Arundel Trading Pte Ltd	Singapore	**100.00**	100.00
Firth Enterprises Pte Ltd	Singapore	**100.00**	100.00
Hong Fok Development (Newton) Pte Ltd	Singapore	**100.00**	100.00
Bishopgate Holdings Limited	Singapore/British Virgin Islands	**100.00**	100.00
Gold Triumph Assets Limited	Singapore/British Virgin Islands	**100.00**	100.00
Yorkwin Investments Limited	Singapore/British Virgin Islands	**100.00**	100.00
Hong Fok Corporation (Cayman) Limited	Hong Kong/ Cayman Islands	**100.00**	100.00

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Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Ownership Interest Held by the Group 2023 %	2022 %
Hong Fok Corporation (H.K.) Limited and its subsidiaries@:	Hong Kong	**100.00**	100.00
Hong Fok Investment Holding Company Limited	Hong Kong	**100.00**	100.00
Hong Fok Land International Limited	Hong Kong	**100.00**	100.00
Hong Fok Nominees Limited	Hong Kong	**100.00**	100.00
Supreme Homes Company Limited	Hong Kong	**100.00**	100.00
Hong Fok Enterprises Limited	Hong Kong	**100.00**	100.00
Hong Fok Land International Limited and its significant subsidiaries@:	Hong Kong/ Bermuda	**49.00**	49.00
Hong Fok Land Asia Limited	Hong Kong/British Virgin Islands	**49.00**	49.00
Hong Fok Land Investment Limited	Hong Kong	**49.00**	49.00
Hugoton Limited	Hong Kong	**49.00**	49.00
Bossiney Limited	Hong Kong	**49.00**	49.00
Magazine Gap Property Management Limited	Hong Kong	**49.00**	49.00
Wellow Investment Limited	Hong Kong/Republic of Liberia	**49.00**	49.00
Giant Yield Limited	Hong Kong	**49.00**	49.00
Hong Fok Land Holding Limited	Hong Kong	**49.00**	49.00
Allied Crown Limited	Hong Kong	**49.00**	49.00
Winfoong Land Limited	Hong Kong	**49.00**	49.00
Asian Vision Limited	Hong Kong	**49.00**	49.00
Winfoong Assets Investment Limited (formerly known as King Dynasty Limited)	Hong Kong/British Virgin Islands	**49.00**	49.00
Prestige Century Limited	Hong Kong/British Virgin Islands	**49.00**	49.00
Hong Fok Land Assets Pte. Ltd.*	Singapore	**49.00**	49.00

@ These consolidated financial statements are audited by Crowe (HK) CPA Limited.
* These financial statements are audited by KPMG LLP (2022: Crowe Horwath First Trust LLP).

KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Significant foreign-incorporated subsidiaries are audited by Crowe (HK) CPA Limited. For this purpose, a subsidiary is considered significant as defined under the Listing Manual of the SGX-ST if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

Although the Group owns less than half of the voting power of Hong Fok Land International Limited, Management has determined that the Group has de facto control over Hong Fok Land International Limited. This is on the basis that the remaining voting rights in the investee are dispersed, historical attendance at shareholder meetings shows that the Group has been able to control the outcome of voting, and that there is no indication that other shareholders exercise their votes collectively.

6 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests ("NCI"):

Name of Subsidiary	Place of Business	Country of Incorporation	Ownership Interest Held by NCI 2023 %	2022 %
Hong Fok Land International Limited and its subsidiaries	Hong Kong, Singapore	Bermuda, Hong Kong, British Virgin Islands, Republic of Liberia, Singapore	**51.00**	51.00

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The following summarised the financial information of the Group's subsidiaries with material NCI prepared in accordance with SFRS(I).

Group	Hong Fok Land International Limited and its Subsidiaries $'000	Intra-group Adjustments $'000	Total $'000
31 December 2023			
Non-current assets	**667,528**		
Current assets	**39,295**		
Non-current liabilities	**(121,532)**		
Current liabilities	**(5,162)**		
Net assets	**580,129**		
Net assets attributable to NCI	**295,866**	**308,269**	**604,135**
Revenue	**7,844**		
Loss	**(11,135)**		
Other comprehensive income	**(3,359)**		
Total comprehensive income	**(14,494)**		
Attributable to NCI:			
– (Loss)/Profit	**(5,679)**	**12,629**	**6,950**
– Other comprehensive income	**(1,713)**	**(3,727)**	**(5,440)**
– **Total comprehensive income**	**(7,392)**	**8,902**	**1,510**
Cash flows used in operating activities	**(3,641)**		
Cash flows from investing activities	**3,094**		
Cash flows from financing activities (dividends to NCI: $Nil)	**30,781**		
Net increase in cash and cash equivalents	**30,234**		
31 December 2022			
Non-current assets	691,992		
Current assets	9,240		
Non-current liabilities	(85,968)		
Current liabilities	(8,496)		
Net assets	606,768		
Net assets attributable to NCI	309,452	293,000	602,452
Revenue	7,466		
Loss	(34,109)		
Other comprehensive income	35,263		
Total comprehensive income	1,154		
Attributable to NCI:			
– (Loss)/Profit	(17,501)	31,328	13,827
– Other comprehensive income	17,984	(18,868)	(884)
– **Total comprehensive income**	483	12,460	12,943
Cash flows from operating activities	2,854		
Cash flows from investing activities	1,479		
Cash flows from financing activities (dividends to NCI: $Nil)	456		
Net increase in cash and cash equivalents	4,789		

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7 INVESTMENT PROPERTIES

Group	2023 $'000	2022 $'000
At 1 January	**3,391,541**	3,200,358
Additions arising from subsequent expenditure recognised in carrying amount	**539**	70
Write back of accrued expenses	**(102)**	(4,008)
Disposal	**(1,900)**	–
Changes in fair value	**87,110**	197,339
Translation differences	**(10,492)**	(2,218)
At 31 December	**3,466,696**	3,391,541

Investment properties comprise freehold land and buildings that include a hotel property and commercial properties, and leasehold land and buildings that include commercial properties, residential properties and parking spaces.

The hotel property is managed by a third-party hotel operator for a period of approximately sixteen years since 2017 with option to renew.

The commercial and residential properties are mainly leased to external customers. Each of the leases contains an initial non-cancellable period of usually one to five years. Subsequent renewals are negotiated with the lessee.

Changes in fair value are recognised as gain or loss in profit or loss. All gain or loss are unrealised.

Security
The Group's investment properties with a carrying value of approximately $3,434,303,000 (2022: $3,357,781,000) are mortgaged for certain credit facilities granted to the Group (see Note 17).

Measurement of Fair Value

(i) ***Fair Value Hierarchy***
The fair value information of investment properties are set out as follows:

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2023				
Leasehold properties	**–**	**13,170**	**2,123,166**	**2,136,336**
Freehold properties	**–**	**–**	**1,330,360**	**1,330,360**
	–	**13,170**	**3,453,526**	**3,466,696**
31 December 2022				
Leasehold properties	–	15,060	2,117,926	2,132,986
Freehold properties	–	–	1,258,555	1,258,555
	–	15,060	3,376,481	3,391,541

The fair values of investment properties were determined by external, independent valuers, having the appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The independent valuers provide the fair values of the Group's investment properties portfolio at least annually. The valuation reports as at that date are prepared in accordance with recognised appraisal and valuation standards.

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(ii) ***Level 3 Fair Value***

The following table shows a reconciliation of the Group's investment properties from the beginning balance to the ending balance for fair value measurements in Level 3 of the fair value hierarchy:

Group	**2023 $'000**	**2022 $'000**
At 1 January	**3,376,481**	3,184,888
Additions arising from subsequent expenditure recognised in carrying amount	**539**	70
Write back of accrued expenses	**(102)**	(4,008)
Changes in fair value		
– net gain included in 'Gain on revaluation of investment properties'	**87,100**	197,749
Translation differences	**(10,492)**	(2,218)
At 31 December	**3,453,526**	3,376,481

The following table shows the Group's valuation techniques used in measuring the fair values of investment properties, as well as the significant inputs used.

Valuation Techniques	**Key Inputs**		**Inter-relationship between Key Inputs and Fair Value Measurement**
	Singapore	**Hong Kong**	
Direct Comparison Method*:* The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	***Leasehold Properties****:* Prices per square feet: $2,400 to $4,000 (2022: $2,400 to $4,000) ***Freehold Properties****:* Prices per square feet: $3,300 to $13,000 (2022: $3,300 to $13,000)	***Leasehold Properties****:* Prices per square feet: $4,000 to $6,100 (2022: $4,200 to $6,300) Prices per parking space: $26,900 to $278,400 (2022: $29,200 to $293,000)	The estimated fair value would increase (decrease) if: • price per square feet was higher (lower); or • price per parking space was higher (lower).
Discounted Cashflow Method*:* The valuation model considers the present value of net cash flows to be generated from the property, discounted using a risk-adjusted discount rate. Among other factors, the discount rate estimation considers the quality of a building and its location, and lease terms.	***Freehold Properties****:* Discount rate: 5% (2022: 5%) Terminal capitalisation rate: 3% (2022: 3%)	Not applicable.	The estimated fair value would increase (decrease) if: • the discount rate was lower (higher); or • the terminal capitalisation rate was lower (higher).

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8 OTHER ASSETS

Group	2023 $'000	2022 $'000
Non-current		
Club membership	**315**	264
Movements of the club membership are set out as follows:		
Cost		
At 1 January	**404**	404
Exchange translation difference	**(2)**	#
At 31 December	**402**	404
Accumulated Impairment		
At 1 January	**140**	150
Impairment loss written back	**(53)**	(10)
At 31 December	**87**	140
Carrying Amount		
At 1 January	**264**	254
At 31 December	**315**	264

During the year, an impairment loss written back of $53,000 (2022: $10,000) was recognised based on the recoverable amount of the club membership.

Amount less than $1,000

9 OTHER INVESTMENTS

Group	2023 $'000	2022 $'000
Non-current		
Equity investments – designated at FVTPL	**#**	#
Current		
Debt investments – mandatorily at FVTPL	**5,934**	5,883
Equity investments – mandatorily at FVTPL	**10,740**	13,720
	16,674	19,603

Amount less than $1,000

10 DEFERRED TAX ASSETS AND LIABILITIES

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
Group	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment properties	**–**	–	**(2,126)**	(2,014)
Tax losses carry-forward	**1,624**	2,220	**–**	–
Deferred tax assets/(liabilities)	**1,624**	2,220	**(2,126)**	(2,014)
Set off of tax	**(1,624)**	(1,404)	**1,624**	1,404
Net deferred tax assets/(liabilities)	**–**	816	**(502)**	(610)

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Movement in Deferred Tax Balances

Movements in deferred tax balances of the Group during the year were as follows:

Group	At 1/1/2022 $'000	Recognised in Profit or Loss (Note 25) $'000	Translation Differences $'000	At 31/12/2022 $'000	Recognised in Profit or Loss (Note 25) $'000	Translation Differences $'000	At 31/12/2023 $'000
Investment properties	(1,883)	(144)	13	**(2,014)**	**(156)**	**44**	**(2,126)**
Tax losses carry-forward	2,145	87	(12)	**2,220**	**(558)**	**(38)**	**1,624**
	262	(57)	1	**206**	**(714)**	**6**	**(502)**

Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Group	2023 $'000	2022 $'000
Deductible temporary differences	**10,788**	10,793
Unutilised tax losses	**100,666**	99,074
	111,454	109,867

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses and deductible temporary differences do not expire under current tax legislation.

11 DEVELOPMENT PROPERTIES

Group	2023 $'000	2022 $'000
Completed properties	**108,981**	122,306

During the year, completed development properties for sale of approximately $13,760,000 (2022: $36,042,000) were recognised as an expense and included in 'Cost of sales of development properties'.

Development properties with a carrying amount of approximately $108,981,000 (2022: $122,306,000) are mortgaged for certain credit facilities granted to the Group (see Note 17).

In assessing the net realisable value of the completed property units, Management takes into account the recent transaction prices of similar or comparable properties for completed units. Market conditions may, however, change, which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may be subject to adjustments in future periods.

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	**735**	657	**–**	–
Impairment loss	**(142)**	(33)	**–**	–
	593	624	**–**	–
Other receivables	**1,194**	1,094	**–**	–
Deposits	**371**	225	**8**	–
	2,158	1,943	**8**	–
Prepayments and others	**1,433**	1,339	**24**	27
	3,591	3,282	**32**	27

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13 AMOUNTS DUE FROM/TO SUBSIDIARIES

Company	2023 $'000	2022 $'000
Amounts due from subsidiaries	**260,132**	226,481
Impairment loss	**(1,164)**	(1,164)
	258,968	225,317
Amounts due to subsidiaries	**(352,355)**	(309,402)

The amounts due from/to subsidiaries are interest free, non-trade in nature, unsecured and repayable on demand.

The Company's exposure to credit risk and impairment loss on amounts due from subsidiaries is disclosed in Note 28.

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash at banks and in hand	**5,540**	5,838	**1,159**	1,482
Deposits	**61,766**	30,164	**–**	–
Cash and cash equivalents	**67,306**	36,002	**1,159**	1,482
Less: Pledged bank deposits	**(3,789)**	(3,899)	**–**	–
Cash and cash equivalents (current)	**63,517**	32,103	**1,159**	1,482
Less: Restricted cash	**(36)**	(#)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**63,481**	32,103	**1,159**	1,482

The effective interest rate for the cash at banks and deposits ranged from approximately 0% to 5% (2022: 0% to 5%) per annum. These interest rates reprice within six months of the reporting date.

Pledged bank deposits represent bank balances of certain subsidiaries pledged as security for certain credit facilities granted to the Group (see Note 17).

Amount less than $1,000

15 SHARE CAPITAL

	Group		Company	
	2023 No. of Shares	2022 No. of Shares	2023 No. of Shares	2022 No. of Shares
Issued and Fully Paid Ordinary Shares, with no Par Value, excluding Treasury Shares				
At 1 January	**641,802,708**	667,085,108	**819,392,340**	844,674,740
Share buyback	**(95,200)**	(25,282,400)	**(95,200)**	(25,282,400)
At 31 December	**641,707,508**	641,802,708	**819,297,140**	819,392,340

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The total treasury shares held by the Group and Company are as follows:

	Group		Company	
	No. of Shares	$'000	No. of Shares	$'000
At 1 January 2022	203,527,032	120,377	25,937,400	19,327
Share buyback	25,282,400	23,196	25,282,400	23,196
At 31 December 2022	**228,809,432**	**143,573**	**51,219,800**	**42,523**
Share buyback	**95,200**	**97**	**95,200**	**97**
At 31 December 2023	**228,904,632**	**143,670**	**51,315,000**	**42,620**

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Share Buyback by the Company
During the year, the Company has made purchases of 95,200 (2022: 25,282,400) ordinary shares in the capital of the Company for a total consideration of approximately $97,000 (2022: $23,196,000), including directly attributable transaction costs.

As at 31 December 2023, the Company held 51,315,000 (2022: 51,219,800) treasury shares which represent approximately 6.3% (2022: 6.3%) of the total number of issued shares (excluding treasury shares) of 819,297,140 (2022: 819,392,340).

16 RESERVES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Capital and other reserves	**716**	543	**–**	–
Translation reserves	**(17,323)**	(12,972)	**–**	–
Retained profit	**2,263,185**	2,181,534	**615,499**	625,147
	2,246,578	2,169,105	**615,499**	625,147

Capital reserves comprise the following items:

(a) difference between the fair value of the net assets and the purchase consideration in respect of the subsidiaries acquired prior to 1 January 2001; and

(b) imputed interest on the bonds issued by a subsidiary and subscribed by NCI (see Note 17).

The translation reserves comprise foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of these financial statements and the foreign currency differences on monetary items which form part of the Company's net investments in foreign subsidiaries.

17 LOANS AND BORROWINGS

Group	**Note**	**2023 $'000**	**2022 $'000**
Non-current			
Singapore dollar secured bank loans	a	**627,931**	651,733
Hong Kong dollar secured bank loans	a	**50,610**	22,399
Hong Kong dollar unsecured bonds	b,c,d,e	**43,525**	39,284
Deferred day one gain on Hong Kong dollar unsecured bonds	c	**1,691**	2,321
Unamortised transaction costs		**(6,761)**	(8,755)
Unamortised imputed interest on unsecured bonds		**(4,308)**	(6,562)
		712,688	700,420

(a) Certain loans of the Group are secured by:

(i) mortgages on and assignment of rental income from investment properties with carrying values of approximately $3,434,303,000 as at 31 December 2023 (2022: $3,357,781,000) (see Note 7);

(ii) mortgages on development properties with carrying values of approximately $108,981,000 as at 31 December 2023 (2022: $122,306,000) (see Note 11) and assignment of the rights, titles and interest in the tenancy agreements, sale and purchase agreements and insurances from the development properties;

(iii) guarantees by the Company and/or its subsidiaries (see Note 28); and

(iv) charges over certain of the Group's pledged bank deposits of approximately $3,789,000 as at 31 December 2023 (2022: $3,899,000) (see Note 14).

NOTES TO THE FINANCIAL STATEMENTS

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(b) As at 31 December 2023, a subsidiary of the Company has outstanding bonds amounting to approximately $75,578,000 (HK$448,000,000) (2022: $72,021,000 (HK$418,000,000)), of which approximately $32,053,000 (HK$190,000,000) (2022: $32,737,000 (HK$190,000,000)) was held by another subsidiary of the Company.

(c) During the year ended 31 December 2023, a subsidiary of the Company issued Hong Kong dollar unsecured bonds amounting to approximately $3,037,000 (HK$18,000,000) (2022: $11,200,000 (HK$65,000,000)) to an independent third party. The fair value of these unsecured bonds at the date of issuance was measured by an independent valuer.

As the valuation is not supported by observable market data, the day one gain of the newly issued unsecured bonds to the independent party of approximately $457,000 (HK$2,707,000) (2022: $2,740,000 (HK$15,901,000)) is being deferred instead of being recognised directly in the profit or loss. The deferred day one gain is recognised in profit or loss over the term of the unsecured bonds on a straight-line basis.

During the year ended 31 December 2023, an amortisation of deferred day one gain of approximately $1,054,000 (2022: $428,000) was recognised as an income and included in 'finance income'.

(d) During the year ended 31 December 2023, a subsidiary of the Company issued Hong Kong dollar unsecured bonds amounting to approximately $2,024,000 (HK$12,000,000) (2022: $Nil (HK$Nil)) to certain NCI. The fair value of these unsecured bonds at the date of issuance was measured by an independent valuer.

(e) The bonds are non-convertible, unsecured, bear a fixed interest rate of 2.00% per annum up to maturity, payable annually in arrears and will mature on 9 March 2025. The subsidiary may redeem whole or part of principal amount and payment of accrued interest at any time prior to the maturity date by giving the holder not less than 10 days' prior written notice.

Terms and Debt Repayment Schedule

Group	Currency	Nominal Interest Rate Per Annum	Year of Maturity	Carrying Amount $'000
31 December 2023				
Secured bank loans	SGD	4.53% – 5.08%	2028	**279,465**
Secured bank loans	SGD	4.53% – 5.08%	2026	**341,705**
Secured bank loans	HKD	4.47% – 7.22%	2026	**50,610**
Unsecured bonds	HKD	2.00%	2025	**40,908**
				712,688
31 December 2022				
Secured bank loans	SGD	1.53% – 4.45%	2028	203,675
Secured bank loans	SGD	1.43% – 5.02%	2026	439,303
Secured bank loans	HKD	1.83% – 6.14%	2026	22,399
Unsecured bonds	HKD	2.00%	2025	35,043
				700,420

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Reconciliation of Movements of (Assets)/Liabilities to Cash Flows Arising from Financing Activities

Group	Assets	Liabilities					
	Pledged Bank Deposits $'000	Interest Payables $'000	Bank Loans $'000	Fixed Rate Notes $'000	Bonds $'000	Lease Liabilities $'000	Total $'000
At 1 January 2022	(3,617)	1,691	639,620	99,928	25,579	959	764,160
Changes from Financing Cash Flows							
Increase in pledged bank deposits	(285)	–	–	–	–	–	(285)
Interest paid	–	(21,598)	–	–	–	(15)	(21,613)
Payment of lease liabilities	–	–	–	–	–	(432)	(432)
Payment of transaction costs on loans and borrowings	–	–	(4,603)	–	–	–	(4,603)
Repayments of loans and borrowings	–	–	(72,940)	(100,000)	–	–	(172,940)
Proceeds from loans and borrowings	–	–	101,098	–	11,200	–	112,298
Total Changes from Financing Cash Flows	(285)	(21,598)	23,555	(100,000)	11,200	(447)	(87,575)
The Effect of Changes in Foreign Exchange Rates	3	–	(158)	–	(171)	(5)	(331)
Other Changes							
Modification of bonds issued by a subsidiary	–	–	–	–	(3,365)	–	(3,365)
Deferred day one gain on bonds issued by a subsidiary	–	–	–	–	(428)	–	(428)
Finance expense	–	21,837	2,360	72	2,228	15	26,512
Total Other Changes	–	21,837	2,360	72	(1,565)	15	22,719
At 31 December 2022	(3,899)	1,930	665,377	–	35,043	522	698,973
At 1 January 2023	**(3,899)**	**1,930**	**665,377**	**–**	**35,043**	**522**	**698,973**
Changes from Financing Cash Flows							
Decrease in pledged bank deposits	**94**	**–**	**–**	**–**	**–**	**–**	**94**
Interest paid	**–**	**(31,822)**	**–**	**–**	**–**	**(8)**	**(31,830)**
Payment of lease liabilities	**–**	**–**	**–**	**–**	**–**	**(428)**	**(428)**
Repayments of loans and borrowings	**–**	**–**	**(138,952)**	**–**	**–**	**–**	**(138,952)**
Proceeds from loans and borrowings	**–**	**–**	**143,830**	**–**	**5,061**	**–**	**148,891**
Total Changes from Financing Cash Flows	**94**	**(31,822)**	**4,878**	**–**	**5,061**	**(436)**	**(22,225)**
The Effect of Changes in Foreign Exchange Rates	**16**	**–**	**(469)**	**–**	**(762)**	**(11)**	**(1,226)**
Other Changes							
New leases	**–**	**–**	**–**	**–**	**–**	**112**	**112**
Issuance of bonds by a subsidiary	**–**	**–**	**–**	**–**	**(304)**	**–**	**(304)**
Deferred day one gain on bonds issued by a subsidiary	**–**	**–**	**–**	**–**	**(1,054)**	**–**	**(1,054)**
Finance expense	**–**	**33,629**	**1,994**	**–**	**2,924**	**8**	**38,555**
Total Other Changes	**–**	**33,629**	**1,994**	**–**	**1,566**	**120**	**37,309**
At 31 December 2023	**(3,789)**	**3,737**	**671,780**	**–**	**40,908**	**195**	**712,831**

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18 TRADE AND OTHER PAYABLES

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current					
Provision for other long-term employee benefits	19	**10,828**	10,842	**–**	–
Current					
Trade payables		**4,877**	1,908	**–**	–
Accrued operating expenses		**5,447**	3,469	**332**	276
Accrued development expenditure		**–**	329	**–**	–
Provision for bonus		**8,338**	6,803	**–**	–
Tenancy and other deposits		**17,023**	15,662	**–**	–
Unclaimed dividends		**991**	1,113	**991**	1,113
Other payables		**2,291**	5,267	**192**	1
		38,967	34,551	**1,515**	1,390
Goods and Services Tax payables		**1,364**	1,341	**–**	–
Other liabilities		**–**	2,761	**–**	–
		40,331	38,653	**1,515**	1,390

Trade payables include retention sum of approximately $61,000 (2022: $128,000) relating to development of properties.

As at 31 December 2023, included in other payables is an amount of approximately $1,514,000 (2022: $4,792,000) relating to unclaimed monies due to the former shareholders of the NCI in relation to the corporate transaction completed in 2022 (see Note 35).

Other liabilities comprise deposits received from customers in relation to the sales of completed development properties.

19 OTHER LONG-TERM EMPLOYEE BENEFITS

Group	Note	2023 $'000	2022 $'000
Provision for other long-term employee benefits	18	**10,828**	10,842

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods.

Movements in the net obligation recognised in the statement of financial position during the year were as follows:

	Note	2023 $'000	2022 $'000
Present value of obligation:			
At 1 January		**10,842**	11,635
Benefits payable		**(505)**	(425)
Provision made	22	**491**	7
Provision written back	22	**–**	(375)
At 31 December		**10,828**	10,842

The interest rate used to discount estimated cash flows at the reporting date is 2.6% to 3.5% (2022: 2.5% to 3.9%) per annum.

The weighted average number of service years provided by the employees at the end of the reporting period is approximately 19.5 years (2022: 21.0 years).

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20 REVENUE

Group	Note	2023 $'000	2022 $'000
Gross dividend income from investments		**751**	749
Rental income from			
– investment properties		**70,391**	61,970
– development properties		**2,547**	2,803
Hiring charges from			
– investment properties		**213**	150
– development properties		**1,692**	1,339
Maintenance fee from			
– investment properties		**7,931**	8,158
– development properties		**220**	235
Revenue from contracts with customers		**26,856**	78,515
	(i)	**35,007**	86,908
		110,601	153,919

(i) Disaggregation of Revenue from Contracts with Customers

Group	Reportable Segments: Property Investment $'000	Property Development and Construction $'000	Property Management $'000	Total $'000
2023				
Major Product or Service Line				
Sale of completed development properties	**–**	**23,365**	**–**	**23,365**
Property management income	**–**	**–**	**2,874**	**2,874**
Maintenance fee	**7,931**	**220**	**–**	**8,151**
Car park income	**617**	**–**	**–**	**617**
	8,548	**23,585**	**2,874**	**35,007**
Timing of Revenue Recognition				
Products and services transferred at a point in time	**617**	**23,365**	**1,802**	**25,784**
Products and services transferred over time	**7,931**	**220**	**1,072**	**9,223**
	8,548	**23,585**	**2,874**	**35,007**
2022				
Major Product or Service Line				
Sale of completed development properties	–	75,596	–	75,596
Property management income	–	–	2,275	2,275
Maintenance fee	8,158	235	–	8,393
Car park income	644	–	–	644
	8,802	75,831	2,275	86,908
Timing of Revenue Recognition				
Products and services transferred at a point in time	644	75,596	972	77,212
Products and services transferred over time	8,158	235	1,303	9,696
	8,802	75,831	2,275	86,908

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(ii) ***Contract Balances***

The following table provides information about trade receivables and contract liabilities from contracts with customers.

Group	2023 $'000	2022 $'000
Trade receivables	**195**	373
Contract liabilities	**(41)**	(107)
	154	266

Contract liabilities relate primarily to advance consideration received from customers.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the year are as follows:

Group	2023 $'000	2022 $'000
Revenue recognised that was included in contract liabilities at the beginning of the year	**(107)**	(60)
Increases due to cash received, excluding amounts recognised as revenue during the year	**41**	107
	(66)	47

21 OTHER INCOME

Group	2023 $'000	2022 $'000
Compensation/Forfeiture income	–	10
Attendance and processing fees	**89**	49
Government grants/schemes	**25**	81
Jobs Support Scheme/wage subsidy	–	115
License fees and other charges	**25**	23
Others	**20**	62
	159	340

22 EMPLOYEE BENEFIT EXPENSES

Group	Note	2023 $'000	2022 $'000
Salaries, wages and bonus#		**20,554**	19,123
Contributions to defined contribution plans#		**711**	714
Other long-term employee benefits	19	**491**	(368)
Others		**1,663**	1,973
		23,419	21,442
Employee benefit expenses capitalised in investment properties#		–	(368)
		23,419	21,074

Include employee benefit expenses of approximately $Nil (2022: $368,000) utilised from accrued development expenses during the year.

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23 NET FINANCE (EXPENSE)/INCOME

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income on:				
– late payments	**44**	77	**–**	–
– pledged bank deposits and cash and cash equivalents	**1,096**	357	**22**	7
– other investments	**294**	302	**–**	–
Deferred day one gain on bonds	**1,054**	428	**–**	–
Finance income	**2,488**	1,164	**22**	7
Interest expense on:				
– bank loans and unsecured bonds	**(33,629)**	(21,837)	**–**	–
– lease liabilities	**(8)**	(15)	**–**	–
Amortisation of transaction costs previously capitalised	**(1,994)**	(2,432)	**–**	(72)
Amortisation of imputed interest on unsecured bonds	**(2,924)**	(2,228)	**–**	–
Finance expense	**(38,555)**	(26,512)	**–**	(72)
Net finance (expense)/income recognised in profit or loss	**(36,067)**	(25,348)	**22**	(65)

24 PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Audit fees paid to:				
– Auditors of the Company	**240**	227	**107**	106
– Other auditors	**139**	155	**–**	–
Non-audit fees paid to:				
– Auditors of the Company	**56**	49	**6**	2
– Other auditors	**97**	95	**80**	78
Direct operating expenses arising from investment properties:				
– that generated rental income	**17,533**	15,157	**–**	–
– that did not generate rental income	**200**	184	**–**	–
Directors' fees	**456**	422	**380**	354

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25 TAX EXPENSE

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current Tax Expense					
Current year		**3,536**	7,709	**–**	–
Adjustments in prior years		**(195)**	(2,401)	**–**	–
		3,341	5,308	**–**	–
Deferred Tax Expense					
Current year	10	**714**	57	**–**	–
		4,055	5,365	**–**	–
Reconciliation of Effective Tax Rate					
Profit/(Loss) before tax		**99,073**	239,291	**(1,455)**	(1,290)
Tax using the Singapore tax rate at 17% (2022: 17%)		**16,842**	40,679	**(247)**	(219)
Effect of tax rates in foreign jurisdictions		**36**	155	**–**	–
Tax exempt income		**(16,783)**	(40,526)	**(4)**	–
Non-deductible expenses		**3,045**	7,111	**251**	219
Deferred tax assets not recognised		**1,528**	506	**–**	–
Utilisation of previously unrecognised tax losses		**(717)**	(253)	**–**	–
Tax incentives		**(5)**	(8)	**–**	–
Adjustments in prior years		**(195)**	(2,401)	**–**	–
Others		**304**	102	**–**	–
		4,055	5,365	**–**	–

26 DIVIDEND

A first and final tax exempt (one-tier) dividend in respect of the previous financial year was paid by the Company and the Group as follows:

	2023 $'000	2022 $'000
Company		
Paid to Owners of the Company		
First and final dividend of 1.0 cent (2022: first and final dividend of 1.0 cent) per ordinary share	**8,193**	8,336
Group		
Paid to Owners of the Company	**8,193**	8,336
Dividend paid to subsidiary	**(1,776)**	(1,776)
	6,417	6,560

Subsequent to the reporting date, the following tax exempt (one-tier) dividend was proposed by the Directors. This exempt (one-tier) dividend based on the number of ordinary shares (excluding treasury shares) of 819,297,140 (2022: 819,392,340) and 641,707,508 (2022: 641,802,708) for the Company and the Group respectively as at 31 December 2023 has not been provided for:

	2023 $'000	2022 $'000
Company		
First and final dividend of 1.0 cent (2022: first and final dividend of 1.0 cent) per ordinary share	**8,193**	8,194
Group		
First and final dividend of 1.0 cent (2022: first and final dividend of 1.0 cent) per ordinary share	**6,417**	6,418

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27 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the consolidated profit attributable to ordinary shareholders for the year of approximately $88,068,000 (2022: $220,099,000); and the weighted average number of ordinary shares outstanding of 641,739,067 (2022: 652,855,160), which excludes treasury shares held by the Company and also ordinary shares held by an investee, calculated as follows:

Weighted Average Number of Ordinary Shares

Group	2023 No. of Shares	2022 No. of Shares
Issued ordinary shares	**870,612,140**	870,612,140
Effect of ordinary shares held by an investee and treasury shares	**(228,873,073)**	(217,756,980)
Weighted average number of ordinary shares during the year	**641,739,067**	652,855,160

The weighted average number of ordinary shares detailed above is used for both the basic and diluted earnings per share as there are no dilutive potential ordinary shares.

28 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how Management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

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Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, pledged bank deposits and cash and cash equivalents.

The carrying amounts of financial assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

Guarantees
The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

Intra-group financial guarantees comprise guarantees given by the Company to financial institutions in respect of credit facilities granted to subsidiaries. The maximum exposure of the Company is approximately $1,115,681,000 (2022: $1,125,983,000). At the end of reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantees. The periods in which the financial guarantees expire are as follows:

Company	2023 $'000	2022 $'000
Within 1 year	**5,750**	5,750
After 1 year but within 5 years	**1,109,931**	1,120,233
	1,115,681	1,125,983

Trade and Other Receivables
Risk management policy
Concentration of credit risk relating to trade and other receivables is limited due to the Group's many varied customers. These customers are individuals and corporations, both local and multinational with different business activities. The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Rental deposits are received for the Group's lease arrangements as lessor to reduce credit risk.

Due to these factors, Management believes that no additional credit risk beyond amounts provided for impairment loss is inherent in the Group's trade receivables.

Exposure to credit risk
A summary of the exposures to credit risk for trade receivables is as follows:

	2023		2022	
Group	Not Credit Impaired $'000	Credit Impaired $'000	Not Credit Impaired $'000	Credit Impaired $'000
Not past due	**11**	**–**	68	–
Within 1 month	**132**	**2**	361	–
After 1 month but within 3 months	**160**	**–**	143	–
After 3 months but within 12 months	**4**	**370**	6	57
More than 12 months	**2**	**54**	3	19
Total gross carrying amount	**309**	**426**	581	76
Loss allowance	**–**	**(142)**	–	(33)
	309	**284**	581	43

Expected credit loss assessment
The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

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Movements in allowance for impairment in respect of trade receivables

The movements in the allowance for impairment in respect of trade receivables during the year were as follows:

Group	2023 $'000	2022 $'000
At 1 January	**33**	387
Impairment loss recognised	**117**	12
Impairment loss written back	**(8)**	(10)
	109	2
Impairment loss written off	**–**	(356)
At 31 December	**142**	33

Other Receivables and Deposits

The Group and Company assess on a forward-looking basis the ECLs associated with other receivables and deposits, excluding prepayments and others. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and Company consider the amount of the allowance on other receivables and deposits to be negligible.

Pledged Bank Deposits and Cash and Cash Equivalents

The Group and the Company held pledged bank deposits and cash and cash equivalents of approximately $67,306,000 and $1,159,000 respectively at 31 December 2023 (2022: $36,002,000 and $1,482,000 respectively), and these figures represent the maximum credit exposures on these assets. The pledged bank deposits and cash and cash equivalents are held with regulated financial institutions.

Impairment on pledged bank deposits and cash and cash equivalents were measured on the 12-month expected loss basis. The Group considers that its pledged bank deposits and cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on pledged bank deposits and cash and cash equivalents was negligible.

Non-trade Amounts Due from Subsidiaries

The Company held non-trade amounts due from its subsidiaries of approximately $260,132,000 (2022: $226,481,000) as follows:

	2023		2022	
Company	Not Credit Impaired $'000	Credit Impaired $'000	Not Credit Impaired $'000	Credit Impaired $'000
Amounts due from subsidiaries	**258,825**	**1,307**	225,193	1,288
Total gross carrying amount	**258,825**	**1,307**	225,193	1,288
Loss allowance	**–**	**(1,164)**	–	(1,164)
	258,825	**143**	225,193	124

In assessing whether the amounts due from subsidiaries are credit impaired, the Company considered the financial positions, financial performance and operations of the subsidiaries.

Movements in allowance for impairment in respect of amounts due from subsidiaries

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year were as follows:

	2023		2022	
Company	12-month ECLs $'000	Lifetime ECLs $'000	12-month ECLs $'000	Lifetime ECLs $'000
At 1 January and 31 December	**–**	**1,164**	–	1,164

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Liquidity risk

Risk Management Policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2023, the Group and the Company has unutilised credit facilities of approximately $1,233,638,000 and $600,000,000 respectively (2022: $1,257,733,000 and $600,000,000 respectively), that can be drawn down to meet short-term financial needs. For any repayment of credit facilities, the source of funds can be from the Group's operating cash flow and/or refinancing of existing facilities.

Exposure to Liquidity Risk

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements:

	Carrying Amount $'000	Contractual Cash Outflows $'000	Cash Outflows: Within 1 year $'000	Cash Outflows: After 1 year but Within 5 years $'000	Cash Outflows: After 5 years $'000
Group					
31 December 2023					
Non-derivative Financial Liabilities					
Loans and borrowings	**712,688**	**(834,620)**	**(35,786)**	**(798,834)**	**–**
Lease liabilities	**195**	**(200)**	**(155)**	**(45)**	**–**
Trade and other payables*	**38,967**	**(38,967)**	**(30,322)**	**(7,947)**	**(698)**
	751,850	**(873,787)**	**(66,263)**	**(806,826)**	**(698)**
31 December 2022					
Non-derivative Financial Liabilities					
Loans and borrowings	700,420	(837,180)	(30,864)	(598,215)	(208,101)
Lease liabilities	522	(528)	(432)	(96)	–
Trade and other payables*	34,551	(34,551)	(25,795)	(8,538)	(218)
	735,493	(872,259)	(57,091)	(606,849)	(208,319)
Company					
31 December 2023					
Non-derivative Financial Liabilities					
Trade and other payables	**1,515**	**(1,515)**	**(1,515)**	**–**	**–**
Amounts due to subsidiaries	**352,355**	**(352,355)**	**(352,355)**	**–**	**–**
Recognised financial liabilities	**353,870**	**(353,870)**	**(353,870)**	**–**	**–**
Financial guarantees	**–**	**(628,205)**	**(628,205)**	**–**	**–**
	353,870	**(982,075)**	**(982,075)**	**–**	**–**
31 December 2022					
Non-derivative Financial Liabilities					
Trade and other payables	1,390	(1,390)	(1,390)	–	–
Amounts due to subsidiaries	309,402	(309,402)	(309,402)	–	–
Recognised financial liabilities	310,792	(310,792)	(310,792)	–	–
Financial guarantees	–	(651,801)	(651,801)	–	–
	310,792	(962,593)	(962,593)	–	–

* Exclude provision for other long-term employee benefits, Goods and Services Tax payables and other liabilities.

The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

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Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Risk Management Policy

The Group's exposure to changes in interest rates relates primarily to loans and borrowings and deposits placed with financial institutions. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which interest income and expense could be impacted from an adverse movement in interest rates.

Exposure to Interest Rate Risk

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments, was as follows:

Group	2023 $'000	2022 $'000
Fixed Rate Instruments		
Loans and borrowings	**(43,525)**	(39,284)
Variable Rate Instruments		
Deposits	**61,766**	30,164
Loans and borrowings	**(678,541)**	(674,132)
	(616,775)	(643,968)

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A reasonably possible change of 100 basis points in interest rate on variable rate instruments at the reporting date would have increased/(decreased) the Group's profit or loss by approximately $6,168,000 (2022: $6,440,000). There is no effect to equity. The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

Foreign currency risk

As at the reporting date, the Group is exposed to foreign currency risk on the cash and cash equivalents and investments that are denominated in United States Dollar ("USD") and Hong Kong Dollar ("HKD").

The Company is exposed to foreign currency risk on amounts due from subsidiaries that are denominated in HKD.

Exposure to currency risk is monitored on an ongoing basis and the Group and the Company endeavour to keep the net exposure at an acceptable level.

Exposure to Foreign Currency Risk

The summary of quantitative data about the Group's and Company's exposure to foreign currency risk as reported to the Management of the Group is as follows:

	2023		2022	
Group	USD $'000	HKD $'000	USD $'000	HKD $'000
Debt investments – mandatorily at FVTPL	**5,934**	**–**	5,883	–
Equity investments – mandatorily at FVTPL	**–**	**9,312**	2,524	10,093
Cash and cash equivalents	**–**	**17**	57	426
	5,934	**9,329**	8,464	10,519

Company	2023 HKD $'000	2022 HKD $'000
Amounts due from subsidiaries	**24,454**	24,981

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Sensitivity Analysis – Foreign Currency Risk

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below, against the USD and HKD at 31 December would have (decreased)/increased profit or loss by the amounts shown below. There is no effect to equity. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

	Group $'000	Company $'000
2023		
USD (10% strengthening)	**(593)**	**–**
HKD (10% strengthening)	**(933)**	**(2,445)**
USD (10% weakening)	**593**	**–**
HKD (10% weakening)	**933**	**2,445**
2022		
USD (10% strengthening)	(846)	–
HKD (10% strengthening)	(1,052)	(2,498)
USD (10% weakening)	846	–
HKD (10% weakening)	1,052	2,498

Equity Price Risk

The Group has investments in quoted equity and debt investments and is exposed to equity price risk. These investments are listed on the SGX-ST, the Stock Exchange of Hong Kong Limited and the Nasdaq Stock Market.

For such investments classified as FVTPL, the impact of a 5% increase in prices of the quoted investments at the reporting date would have increased the profit or decreased the loss of the Group by $469,000 (2022: $632,000) before tax. An equal change in the opposite direction would have decreased the profit or increased the loss of the Group by $469,000 (2022: $632,000) before tax.

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29 FAIR VALUE OF ASSETS AND LIABILITIES

Accounting Classifications and Fair Values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying Amount				Fair Value			
Group	**Note**	**Mandatorily at FVTPL $'000**	**Designated at FVTPL $'000**	**Amortised Cost $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2023									
Financial Assets Measured at Fair Value									
Equity investments – designated at FVTPL	9	–	#	–	#	–	–	#	#
Debt investments – mandatorily at FVTPL	9	5,934	–	–	5,934	–	5,934	–	5,934
Equity investments – mandatorily at FVTPL	9	10,740	–	–	10,740	9,381	1,359	–	10,740
		16,674	#	–	16,674				
Financial Assets Not Measured at Fair Value									
Trade and other receivables@	12	–	–	2,158	2,158				
Pledged bank deposits	14	–	–	3,789	3,789				
Cash and cash equivalents	14	–	–	63,517	63,517				
		–	–	69,464	69,464				
Financial Liabilities Not Measured at Fair Value									
Loans and borrowings	17	–	–	(712,688)	(712,688)	–	(727,046)	–	(727,046)
Trade and other payables*	18	–	–	(38,967)	(38,967)				
		–	–	(751,655)	(751,655)				

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		Carrying Amount				Fair Value			
Group	**Note**	**Mandatorily at FVTPL $'000**	**Designated at FVTPL $'000**	**Amortised Cost $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2022									
Financial Assets Measured at Fair Value									
Equity investments – designated at FVTPL	9	–	#	–	#	–	–	#	#
Debt investments – mandatorily at FVTPL	9	5,883	–	–	5,883	–	5,883	–	5,883
Equity investments – mandatorily at FVTPL	9	13,720	–	–	13,720	12,649	1,071	–	13,720
		19,603	#	–	19,603				
Financial Assets Not Measured at Fair Value									
Trade and other receivables@	12	–	–	1,943	1,943				
Pledged bank deposits	14	–	–	3,899	3,899				
Cash and cash equivalents	14	–	–	32,103	32,103				
		–	–	37,945	37,945				
Financial Liabilities Not Measured at Fair Value									
Loans and borrowings	17	–	–	(700,420)	(700,420)	–	(706,793)	–	(706,793)
Trade and other payables*	18	–	–	(34,551)	(34,551)				
		–	–	(734,971)	(734,971)				

Amount less than $1,000

@ Exclude prepayments and others.

* Exclude provision for other long-term employee benefits, Goods and Services Tax payables and other liabilities.

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Company	Note	Carrying Amount Amortised Cost $'000	Carrying Amount Total $'000	Fair Value Level 1 $'000	Fair Value Level 2 $'000	Fair Value Level 3 $'000	Fair Value Total $'000
31 December 2023							
Financial Assets Not Measured at Fair Value							
Trade and other receivables@	12	**8**	**8**				
Amounts due from subsidiaries	13	**258,968**	**258,968**				
Cash and cash equivalents	14	**1,159**	**1,159**				
		260,135	**260,135**				
Financial Liabilities Not Measured at Fair Value							
Amounts due to subsidiaries	13	**(352,355)**	**(352,355)**				
Trade and other payables	18	**(1,515)**	**(1,515)**				
		(353,870)	**(353,870)**				
31 December 2022							
Financial Assets Not Measured at Fair Value							
Trade and other receivables@	12	–	–				
Amounts due from subsidiaries	13	225,317	225,317				
Cash and cash equivalents	14	1,482	1,482				
		226,799	226,799				
Financial Liabilities Not Measured at Fair Value							
Amounts due to subsidiaries	13	(309,402)	(309,402)				
Trade and other payables	18	(1,390)	(1,390)				
		(310,792)	(310,792)				

@ Exclude prepayments.

Valuation Techniques and Significant Inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant inputs used.

Financial instruments measured at fair value

Type	Valuation Techniques	Significant Inputs	Inter-relationship between Key Inputs and Fair Value Measurement
Group			
Debt investments – mandatorily at FVTPL	***Discounted Cash Flow***: The fair value is estimated considering the present value calculated using a risk-adjusted discount rate.	Discount rate 2023: 9.2% (2022: 9.4%)	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Equity investments – mandatorily at FVTPL	***Market Comparison Technique***: The fair value is calculated using the net asset value of the investee entity, an equity fund, where the net assets comprise mainly of marketable securities traded in active markets.	Net asset value	The estimated fair value would increase/(decrease) if the net asset value was higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Financial instruments not measured at fair value

Type	Valuation Technique
Group and Company	
Other financial liabilities*	***Discounted Cash Flows:*** The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

* Other financial liabilities include loans and borrowings.

Transfer between Level 1 and 2

There was no transfer between Level 1 and 2 in 2023 and 2022.

Level 3 Fair Values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Equity Investments – Designated at FVTPL	
Group	**2023 $'000**	**2022 $'000**
At 1 January and 31 December	**#**	#

\# Amount less than $1,000

30 CAPITAL MANAGEMENT

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to continue to maintain the future development and growth of the business.

The Group monitors capital using a net debt equity ratio, which is adjusted net debt divided by total equity. For this purpose, adjusted net debt is defined as total loans and borrowings less pledged bank deposits and cash and cash equivalents. Total equity includes equity attributable to equity holders of the Company.

The Group also monitors capital using a net debt to equity ratio, which is defined as net debt divided by total equity.

Group	**2023 $'000**	**2022 $'000**
Gross loans and borrowings	**722,066**	713,416
Pledged bank deposits	**(3,789)**	(3,899)
Cash and cash equivalents^	**(63,481)**	(32,103)
Net debt	**654,796**	677,414
Total equity	**2,893,731**	2,814,672
Net debt to equity ratio	**0.23**	0.24

^ Exclude restricted cash

The Company seeks shareholders' approval annually to renew its share purchase mandate which authorises the Directors of the Company to make purchases of the Company's shares on the market subject to terms and conditions stated in the share purchase mandate. There was no change in the Group's approach to capital management during the financial year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

31 RELATED PARTIES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year on terms agreed between the parties concerned:

	2023 $'000	2022 $'000
Group		
Rental income and management fee from key management personnel	**466**	478
Contract services provided to key management personnel	**96**	140
Company		
Interest expense allocated to subsidiaries	**–**	990

Key Management Personnel Remuneration

Key management personnel remuneration is as follows:

	2023 $'000	2022 $'000
Group		
Short-term employee benefits	**17,321**	16,330
Post-employment benefits	**101**	103
Other long-term employee benefits	**111**	208
	17,533	16,641

32 SEGMENT REPORTING

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different operating and marketing strategies. For each of the strategic business units, the Company's Board of Directors reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:
- *Property investment* – includes investments in investment properties
- *Property development and construction* – sale of residential units and development of properties
- *Property management* – provides maintenance and management services

Other operations include investment holding, investment trading and dormant companies. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2023 or 2022.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit/(loss) is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly current tax and deferred tax expense, current tax assets and liabilities, and deferred tax assets and liabilities. Segment revenue, expense and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Information about Reportable Segments
Business Segments

Group	Property Investment $'000	Property Development and Construction $'000	Property Management $'000	Other Operations $'000	Total $'000
2023					
External revenue	79,152	27,824	2,874	751	110,601
Inter-segment revenue	601	–	650	1,767	3,018
Finance income	1,151	74	–	1,263	2,488
Finance expense	(35,459)	(2,240)	–	(856)	(38,555)
Reportable segment profit/(loss) before tax	95,066	7,821	(186)	(3,628)	99,073
Other material non-cash items:					
– Depreciation	(417)	(36)	(13)	(527)	(993)
– Gain on revaluation of investment properties	87,110	–	–	–	87,110
– Changes in fair value of other investments at fair value through profit or loss	–	–	–	1,326	1,326
– (Impairment loss)/Impairment loss written back on trade receivables, net	(117)	–	8	–	(109)
– Impairment loss written back on other assets	53	–	–	–	53
Capital expenditure:					
– Investment properties	539	–	–	–	539
– Development properties	–	435	–	–	435
– Property, plant and equipment	204	123	4	68	399
Reportable segment assets	3,474,656	111,961	1,015	77,595	3,665,227
Reportable segment liabilities	681,322	37,624	753	44,384	764,083

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Group	Property Investment $'000	Property Development and Construction $'000	Property Management $'000	Other Operations $'000	Total $'000
2022					
External revenue	70,922	79,973	2,275	749	153,919
Inter-segment revenue	583	(1,905)	472	1,772	922
Finance income	490	105	–	569	1,164
Finance expense	(23,538)	(2,067)	–	(907)	(26,512)
Reportable segment profit/(loss) before tax	213,323	34,444	(319)	(8,157)	239,291
Other material non-cash items:					
– Depreciation	(497)	(292)	(15)	(610)	(1,414)
– Gain on revaluation of investment properties	197,339	–	–	–	197,339
– Changes in fair value of other investments at fair value through profit or loss	–	–	–	(1,147)	(1,147)
– Impairment loss written back/ (Impairment loss) on trade receivables, net	3	–	(5)	–	(2)
– Impairment loss written back on other assets	10	–	–	–	10
Capital expenditure:					
– Investment properties	70	–	–	–	70
– Development properties	–	249	–	–	249
– Property, plant and equipment	195	16	4	220	435
Reportable segment assets	3,398,547	125,227	880	50,570	3,575,224
Reportable segment liabilities	657,417	50,617	597	41,913	750,544

Reconciliations of Reportable Segment Revenue, Profit or Loss, Assets and Liabilities and Other Material Items

Group	2023 $'000	2022 $'000
Revenue		
Total revenue for reportable segments	**111,101**	152,320
Revenue for other operations	**2,518**	2,521
Elimination of inter-segment revenue	**(3,018)**	(922)
	110,601	153,919
Profit or Loss before tax		
Total profit for reportable segments	**102,701**	247,448
Loss for other operations	**(3,628)**	(8,157)
	99,073	239,291
Assets		
Total assets for reportable segments	**3,587,632**	3,524,654
Assets for other operations	**77,595**	50,570
Deferred tax assets	**–**	816
Current tax assets	**3**	–
	3,665,230	3,576,040
Liabilities		
Total liabilities for reportable segments	**719,699**	708,631
Liabilities for other operations	**44,384**	41,913
Deferred tax liabilities	**502**	610
Current tax liabilities	**6,914**	10,214
	771,499	761,368

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Other Material Items

Group	Reportable Segments $'000	Other Operations $'000	Total $'000
2023			
Finance income	**1,225**	**1,263**	**2,488**
Finance expense	**(37,699)**	**(856)**	**(38,555)**
Depreciation	**(466)**	**(527)**	**(993)**
Changes in fair value of other investments at fair value through profit or loss	**–**	**1,326**	**1,326**
Capital expenditure:			
– Property, plant and equipment	**331**	**68**	**399**
2022			
Finance income	595	569	1,164
Finance expense	(25,605)	(907)	(26,512)
Depreciation	(804)	(610)	(1,414)
Changes in fair value of other investments at fair value through profit or loss	–	(1,147)	(1,147)
Capital expenditure:			
– Property, plant and equipment	215	220	435

Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on geographical location of the assets.

Group	Singapore $'000	Hong Kong $'000	Total $'000
2023			
External revenue	**103,033**	**7,568**	**110,601**
Non-current assets	**2,979,814**	**492,650**	**3,472,464**
2022			
External revenue	146,748	7,171	153,919
Non-current assets^	2,890,625	507,305	3,397,930

^ Exclude deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

33 LEASES

Leases as Lessee

The Group leases an office space and warehouse for a period of 3 years and 2 years respectively, and does not include contingent rentals.

The Group also leases staff accommodation space and office equipment with contract terms of less than one year to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

	Office Space and Warehouse	
Group	**2023 $'000**	**2022 $'000**
Right-of-use Assets		
Balance at 1 January	**466**	869
Depreciation for the year	**(394)**	(406)
Additions	**112**	–
Translation differences	**(4)**	3
Balance at 31 December	**180**	466
Lease Liabilities		
Non-current	**45**	96
Current	**150**	426
	195	522

Amounts Recognised in Profit or Loss

Group	**2023 $'000**	**2022 $'000**
Expenses relating to short-term leases	**117**	109
Expenses relating to leases of low-value assets	**85**	91
Lease expenses	**202**	200
Interest on lease liabilities	**8**	15

Amounts Recognised in Statement of Cash Flows

Group	**2023 $'000**	**2022 $'000**
Total cash outflow for leases	**(630)**	(632)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

Leases as Lessor

Operating leases

The Group leases out its investment and development properties. The Group has classified these leases as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 sets out information about the operating leases of investment properties.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Group	2023 $'000	2022 $'000
Operating Leases		
Within one year	**54,196**	54,934
After one year but within two years	**35,590**	34,753
After two years but within three years	**21,495**	20,894
After three years but within four years	**15,186**	13,966
After four years but within five years	**14,311**	12,711
More than five years	**64,478**	72,145
	205,256	209,403

34 COMMITMENTS

As at 31 December, the Group's capital commitments outstanding but not provided for in the consolidated financial statements were as follows:

Group	2023 $'000	2022 $'000
Contracted for:		
– improvement works to investment properties	**608**	520
– purchase of motor vehicle	**89**	–
	697	520

35 CHANGES IN INTEREST IN SUBSIDIARIES

Acquisition of Non-controlling Interests ("NCI")

In April 2022, the Group acquired an additional 5.47% interest in Hong Fok Land International Limited ("HFLIL"), increasing its effective interest from approximately 43.53% to approximately 49.00%. The carrying amount of HFLIL's net assets in the Group's consolidated financial statements on the date of the acquisition was approximately $569,833,000.

	Hong Fok Land International Limited $'000
Carrying amount of NCI acquired	31,170
Consideration paid for acquisition of NCI	(7,761)
Increase in equity attributable to Owners of the Company	23,409

STATEMENT OF SHAREHOLDINGS

AS AT 21 MARCH 2024

No. of Shares (excluding Treasury Shares[1] and Subsidiary Holdings[2])	:	819,297,140
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 Vote Per Share
No. of Treasury Shares[1]	:	51,315,000 (6.26%)
No. of Subsidiary Holdings[2]	:	Nil (0%)

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	183	3.48	7,127	0.00
100 – 1,000	300	5.70	156,956	0.02
1,001 – 10,000	2,713	51.55	15,722,103	1.92
10,001 – 1,000,000	2,029	38.55	105,407,973	12.87
1,000,001 and above	38	0.72	698,002,981	85.19
	5,263	100.00	819,297,140	100.00

TOP TWENTY SHAREHOLDERS[1]

	Name of Shareholder	No. of Shares	%
1	Hong Fok Land Holding Limited	177,589,632	21.68
2	P.C. Cheong Pte Ltd	95,429,584	11.65
3	HSBC (Singapore) Nominees Pte Ltd	64,132,864	7.83
4	United Overseas Bank Nominees Pte Ltd	60,931,952	7.44
5	Citibank Nominees Singapore Pte Ltd	43,228,432	5.27
6	Cheong Sim Eng	31,530,828	3.85
7	Phillip Securities Pte Ltd	23,523,190	2.87
8	Maybank Securities Pte. Ltd.	21,866,596	2.67
9	Justin Teo Zhiwei	18,244,500	2.22
10	DBS Nominees Pte Ltd	17,491,026	2.13
11	UOB Kay Hian Pte Ltd	15,312,720	1.87
12	Cheong Lay Kheng	14,233,000	1.74
13	Roy Cheong Aik Yen	13,400,000	1.64
14	Cheong Pin Chuan	11,272,078	1.38
15	OCBC Securities Private Ltd	10,653,314	1.30
16	Morph Investments Ltd	10,610,000	1.29
17	Khoo Poh Koon	9,014,391	1.10
18	Corporate Development Limited	8,113,776	0.99
19	Cheong Puay Kheng	7,658,400	0.93
20	Raffles Nominees (Pte) Limited	7,368,819	0.90
		661,605,102	80.75

Based on the information available to the Company, as at 21 March 2024, approximately 30.73% of the issued ordinary shares of the Company (excluding treasury shares) are held in the hands of the public. Hence, Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

[1] As per The Central Depository (Pte) Limited's report.
[2] The term "Subsidiary Holdings" shall have the same meaning ascribed to it in the Listing Manual, and is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

STATEMENT OF SHAREHOLDINGS

AS AT 21 MARCH 2024

SUBSTANTIAL SHAREHOLDERS[3]

		No. of Shares	
Name of Substantial Shareholder		Shareholdings in which Substantial Shareholder has a Direct/Beneficial Interest	Shareholdings in which Substantial Shareholder is Deemed to have an Interest
1	Goodyear Realty Co Pte Ltd	44,485,758	–
2	P.C. Cheong Pte Ltd	96,089,584	–
3	Cheong Sim Eng	114,431,756	53,659,778[(a)]
4	Cheong Pin Chuan	20,969,328	150,323,053[(b)]
5	Cheong Kim Pong	660,000	44,485,758[(c)]
6	Hong Fok Land Holding Limited	177,589,632[(d)]	–

(a) This represents Cheong Sim Eng's deemed interest in the issued ordinary shares in the capital of the Company ("Shares") held by his wife, Corporate Development Limited ("CDL") and Goodyear Realty Co Pte Ltd ("Goodyear").

(b) This represents Cheong Pin Chuan's deemed interest in the Shares held by his wife, P.C. Cheong Pte Ltd, CDL and Goodyear.

(c) This represents Cheong Kim Pong's deemed interest in the Shares held by Goodyear.

(d) Hong Fok Land Holding Limited ("HF Land") is wholly owned indirectly by Hong Fok Land International Limited (incorporated in Bermuda) via Hong Fok Land Asia Limited, Hong Fok Land Investment Limited and Wellow Investment Limited. The aforesaid companies are deemed to have an interest in the Shares held by HF Land.

[3] Based on the Register of Substantial Shareholders kept pursuant to Section 137C of the Securities and Futures Act 2001.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-sixth Annual General Meeting ("AGM" or "Meeting") of **HONG FOK CORPORATION LIMITED** will be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Monday, 29 April 2024 at 10.30 a.m. to transact the following business:

As Ordinary Business

1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Auditors' Report thereon. **(Resolution 1)**

2 To declare a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2023 (2022: 1 cent final). **(Resolution 2)**

3 To approve the payment of Directors' fees of $477,723 for the financial year ending 31 December 2024, to be paid quarterly in arrears (2023: $380,168). [See Explanatory Note (i)] **(Resolution 3)**

4 To re-elect Mr Cheong Pin Chuan as Director retiring under Regulation 104 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 4)**

5 To re-elect Ms Cheong Hooi Kheng as Director retiring under Regulation 104 of the Constitution of the Company. [See Explanatory Note (ii)] **(Resolution 5)**

6 To re-elect Mr Kwik Sam Aik as Director retiring under Regulation 114 of the Constitution of the Company. [See Explanatory Note (iii)] **(Resolution 6)**

7 To re-elect Mr Tan Kok Kwee as Director retiring under Regulation 114 of the Constitution of the Company. [See Explanatory Note (iv)] **(Resolution 7)**

8 To re-appoint KPMG LLP, Public Accountants and Chartered Accountants, Singapore, as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modification:

9 **General Authority to Allot and Issue New Shares in the Capital of the Company**

"That pursuant to Section 161 of the Companies Act 1967 (the "Act") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the capital of the Company, including additional convertible securities issued pursuant to adjustments and new shares arising from the conversion of convertible securities and additional convertible securities (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution), provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to all existing shareholders of the Company must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this Resolution, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed (after adjusting for (i) new shares arising from the conversion or exercise of convertible securities, (ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST and (iii) any subsequent bonus issue, consolidation or subdivision of shares, and provided also that adjustments under (i) and (ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST." [See Explanatory Note (v)] **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

10 **Renewal of the Share Buy-Back Mandate**

"That the Directors of the Company be and are hereby authorised to make purchases from time to time (whether by way of on-market purchases or off-market purchases in accordance with an equal access scheme) of up to 10% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the date of this Resolution at any price up to but not exceeding the Maximum Price (as defined in the "Guidelines on Share Purchases" (the "Guidelines") set out in the Appendix of the Addendum dated 5 April 2024 to shareholders of the Company (being an addendum to the notice of annual general meeting dated 5 April 2024)) in accordance with the Guidelines and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force and expire on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."
[See Explanatory Note (vi)] **(Resolution 10)**

BY ORDER OF THE BOARD

LIM GUEK HONG
KOH CHAY TIANG
Company Secretaries

Singapore
5 April 2024

Explanatory Notes:

(i) The Ordinary Resolution 3 proposed in item 3 above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is during the financial year ending 31 December 2024. In the event that the amount proposed is insufficient, approval will be sought at the next annual general meeting for payments to meet the shortfall.

(ii) Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Cheong Pin Chuan and Ms Cheong Hooi Kheng can be found on pages 3, 28, 29 and 30 of the Annual Report 2023 of the Company.

(iii) Mr Kwik Sam Aik, upon re-election as a Director, shall remain as a Member of the Board. As disclosed in the announcement released by the Company on 5 April 2024 in relation to the changes to the composition of the Board of Directors and Board Committees, Mr Kwik will, subject to his re-election as a Director at the AGM, be appointed as Lead Independent Director, the Chairman of the Nominating Committee and a Member of the Audit and Risk Management Committee immediately after the conclusion of the AGM. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Kwik Sam Aik can be found on pages 4, 28 and 30 of the Annual Report 2023 of the Company.

(iv) Mr Tan Kok Kwee, upon re-election as a Director, shall remain as a Member of the Board. As disclosed in the announcement released by the Company on 5 April 2024 in relation to the changes to the composition of the Board of Directors and Board Committees, Mr Tan will, subject to his re-election as a Director at the AGM, be appointed as Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee immediately after the conclusion of the AGM. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information pursuant to Rule 720(6) of the Listing Manual of the SGX-ST on Mr Tan Kok Kwee can be found on pages 4, 29 and 30 of the Annual Report 2023 of the Company.

(v) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the next annual general meeting, to issue shares and convertible securities in the capital of the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by the Resolution, for such purposes as the Directors may consider to be in the interests of the Company.

(vi) The Ordinary Resolution 10 proposed in item 10 above relates to the renewal of a mandate originally approved by shareholders of the Company on 30 June 1999 and renewed by shareholders of the Company at all subsequent annual general meetings of the Company, including the previous annual general meeting held by way of electronic means on 28 April 2023 authorising the Company to purchase its own shares subject to and in accordance with the "Guidelines on Share Purchases" set out in the Appendix of the Addendum dated 5 April 2024 to shareholders of the Company (being an addendum to the notice of AGM dated 5 April 2024), the Constitution of the Company, the Act, the Listing Manual of the SGX-ST and such other laws and regulations as may for the time being be applicable. The source of funds to be used for the purchase or acquisition of shares including the amount of financing and its impact on the Company's financial position are set out in Sections 5 and 6 of the Addendum dated 5 April 2024.

Notes:

(a) **Conduct of Meeting**

The AGM will be held, in a wholly physical format, at the venue, date and time stated above. There will be no option for members to participate virtually.

(b) **Annual Report 2023, Addendum, Notice of AGM and Proxy Form**

Documents relating to the business of the AGM, which comprise the Annual Report 2023 of the Company for the financial year ended 31 December 2023, Addendum, Notice of AGM and Proxy Form have been sent to members using electronic communications by way of being made available on the Company's website at http://hongfok.listedcompany.com/. These documents may also be accessed on SGXNet at https://www.sgx.com/securities/company-announcements. Printed copies of this Notice of AGM and the accompanying Proxy Form will also be sent by post to members.

Members may request for printed copies of the Annual Report 2023 of the Company and the Addendum by completing and submitting the request form sent to them by post together with printed copies of this Notice of AGM and the accompanying Proxy Form, no later than 15 April 2024 to the Company c/o B.A.C.S. Private Limited.

(c) **Participation in the Meeting**

(i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

(ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

NOTICE OF ANNUAL GENERAL MEETING

(d) **Submission of Written Questions relating to the Agenda of the AGM in advance of the AGM**

Members and proxy/proxies, including CPF/SRS investors, may submit questions related to the resolutions to be tabled at the AGM in advance of the AGM and in any case, not later than 12.00 a.m. on 15 April 2024 through any of the following means:

(i) if submitted by email, to be received by the Company at ir@hongfok.com.sg; or

(ii) if submitted by post, to be deposited at the registered office of the Company at 300 Beach Road #41-00, The Concourse, Singapore 199555.

and provide the following details for verification purposes:

(i) your full name;

(ii) last 4 digits of NRIC/Passport/Company Registration No.;

(iii) number of shares held;

(iv) contact number;

(v) email address; and

(vi) the manner in which you hold shares in the Company (e.g. via CDP, CPF/SRS or Physical Scrips).

Any question submitted without the identification details will not be addressed.

(e) **Publication of Responses to Written Questions**

The Company will address the substantial and relevant comments and queries (which are related to the resolutions to be tabled for approval at the AGM) received from members before the deadline for the submission of questions on 15 April 2024 by publishing its responses to such comments and queries, if any, on the Company's website http://hongfok.listedcompany.com/ and on SGXNet at https://www.sgx.com/securities/company-announcements either by 23 April 2024, being at least 48 hours prior to the deadline for submission of Proxy Forms, or at the AGM. Should there be subsequent clarification sought or follow-up comments and queries received after the deadline for the submission of questions on 15 April 2024, the Company will address those substantial and relevant comments and queries prior to the AGM through publication on the Company's website and on SGXNet, or at the AGM.

(f) **Submission of Proxy Form**

(i) The instrument appointing proxy/proxies must be submitted to the Company in the following manner:

(1) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

(2) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

in either case, by 10.30 a.m. on 27 April 2024, being 48 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument appointing proxy/proxies must complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

(ii) Members are strongly encouraged to submit the completed Proxy Form electronically.

(iii) CPF/SRS investors who hold the Company's shares:

(1) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or

(2) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 17 April 2024.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy/proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy/proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy/proxies and/or representative(s) for the Purposes (the "Warranty"), and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty. Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he may propose/second) may be recorded by the Company for such purpose.

NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN THAT, subject to the members' approval to a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2023 (the "Proposed Dividend") at the forthcoming Annual General Meeting of **HONG FOK CORPORATION LIMITED** (the "Company") to be held on 29 April 2024, the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 13 May 2024 for the purpose of determining members' entitlements to the Proposed Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896 up to 5.00 p.m. on 13 May 2024 (the "Record Date") will be registered to determine members' entitlements to the Proposed Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 5.00 p.m. on the Record Date will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the forthcoming Annual General Meeting to be held on 29 April 2024, will be paid on 24 May 2024.

BY ORDER OF THE BOARD

LIM GUEK HONG
KOH CHAY TIANG
Company Secretaries

Singapore
5 April 2024

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HONG FOK CORPORATION LIMITED
(Company Registration No. 196700468N)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please read notes overleaf before completing this Form)

Important

1. The Fifty-sixth Annual General Meeting (the "AGM" or "Meeting") will be held, in a wholly physical format, at the venue, date and time stated below.
2. Pursuant to Section 181(1C) of the Companies Act 1967, relevant intermediaries may appoint more than two proxies to attend, speak and vote at the AGM.
3. For investors who have used their Central Provident Fund or Supplementary Retirement Scheme monies to buy Shares in the Company (the "CPF/SRS investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2024.
5. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2024.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy/proxies to vote on his/her/its behalf at the Meeting.

I/We, ______________________ (Name) ______________________ (NRIC/Passport/Company Registration No.)

of ____

being a member/members of **HONG FOK CORPORATION LIMITED** (the "Company"), hereby appoint:

Name		**NRIC/Passport Number**	**Proportion of Shareholdings (%)**
Address			

and/or (delete as appropriate)

Name		**NRIC/Passport Number**	**Proportion of Shareholdings (%)**
Address			

or failing the person, or either or both the persons, referred to above, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Empress Ballroom 4 & 5, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on **Monday, 29 April 2024 at 10.30 a.m.** and any adjournment thereof in the following manner.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the box provided. Alternatively, please indicate the number of votes "For" or "Against" within the box provided. If you wish to abstain from voting on a resolution, please indicate "X" in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that your proxy is directed to abstain from voting in that resolution.

In the absence of specific directions in respect of a resolution, the proxy/proxies will vote or abstain from voting at his/her/its discretion.

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements			
2	Declaration of First and Final Dividend of 1 cent			
3	To approve the payment of Directors' fees of $477,723 for the financial year ending 31 December 2024			
4	Re-election of Mr Cheong Pin Chuan as Director retiring under Regulation 104			
5	Re-election of Ms Cheong Hooi Kheng as Director retiring under Regulation 104			
6	Re-election of Mr Kwik Sam Aik as Director retiring under Regulation 114			
7	Re-election of Mr Tan Kok Kwee as Director retiring under Regulation 114			
8	Re-appointment of Auditors			
9	Authority to issue Shares and Convertible Securities			
10	Renewal of Share Buy-Back Mandate			

Dated this ______________ day of ______________ 2024

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

____

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

A member who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it in the manner set out below.

2 A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy. If no name is inserted in the space for the name of your proxy on the Proxy Form, the Chairman of the Meeting will act as your proxy.

3 The instrument appointing proxy/proxies must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

(b) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

in either case, by 10.30 a.m. on 27 April 2024, being 48 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument appointing proxy must complete and sign the Proxy Form, before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

Members are strongly encouraged to submit the completed Proxy Form electronically.

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4 CPF/SRS investors who hold the Company's shares may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM to submit their votes which is by 5.00 p.m. on 17 April 2024.

5 Completion and return of this instrument appointing a proxy/proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6 If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.

7 The instrument appointing proxy/proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised.

8 Where an instrument appointing proxy/proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing proxy/proxies is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing proxy/proxies is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

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

10 The Company shall be entitled to reject the instrument appointing proxy/proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing proxy/proxies (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject an instrument appointing proxy/proxies lodged or submitted if such members are not shown to have shares against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

11 Members should take note that once this Proxy Form is submitted electronically via email to the Company's Share Registrar, they cannot change their vote as indicated in the box provided above.

Fold along this line.

Fold along this line. Glue and seal firmly

Affix
Postage
Stamp

Fold along this line. Glue and seal firmly

HONG FOK CORPORATION LIMITED
C/o B.A.C.S. Private Limited
77 Robinson Road #06-03
Robinson 77
Singapore 068896

Fold along this line. Glue and seal firmly

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