BUILT TO LAST

HO BEE LAND LIMITED

ANNUAL REPORT 2022

The Scalpel / London

LEGACY

Building on a proven track record, we deliver sustainable results with our collective expertise and experience. At Ho Bee Land, we **Build to Last!**

CORPORATE PROFILE

Ho Bee Land Limited is a real estate company founded in 1987. Listed on the Mainboard of the Singapore Exchange since 1999, Ho Bee has a global footprint that spans Singapore, Australia, China, United Kingdom and Europe. Its portfolio covers many quality residential, commercial and high-tech industrial projects since its inception.

In Singapore, Ho Bee is widely recognised as the pioneer developer of luxury homes in the exclusive residential enclave of Sentosa Cove. Other notable developments in Singapore include The Metropolis at one-north, the largest Grade A office development outside the Central Business District to-date, and Elementum, a cutting-edge biomedical sciences development slated to be completed by end-2023.

In London, the company has a portfolio of eight investment properties, including The Scalpel, Ropemaker Place and 1 St Martin's Le Grand.

Ho Bee is committed towards delivering quality homes and work spaces for its stakeholders and contributing to a sustainable built environment.

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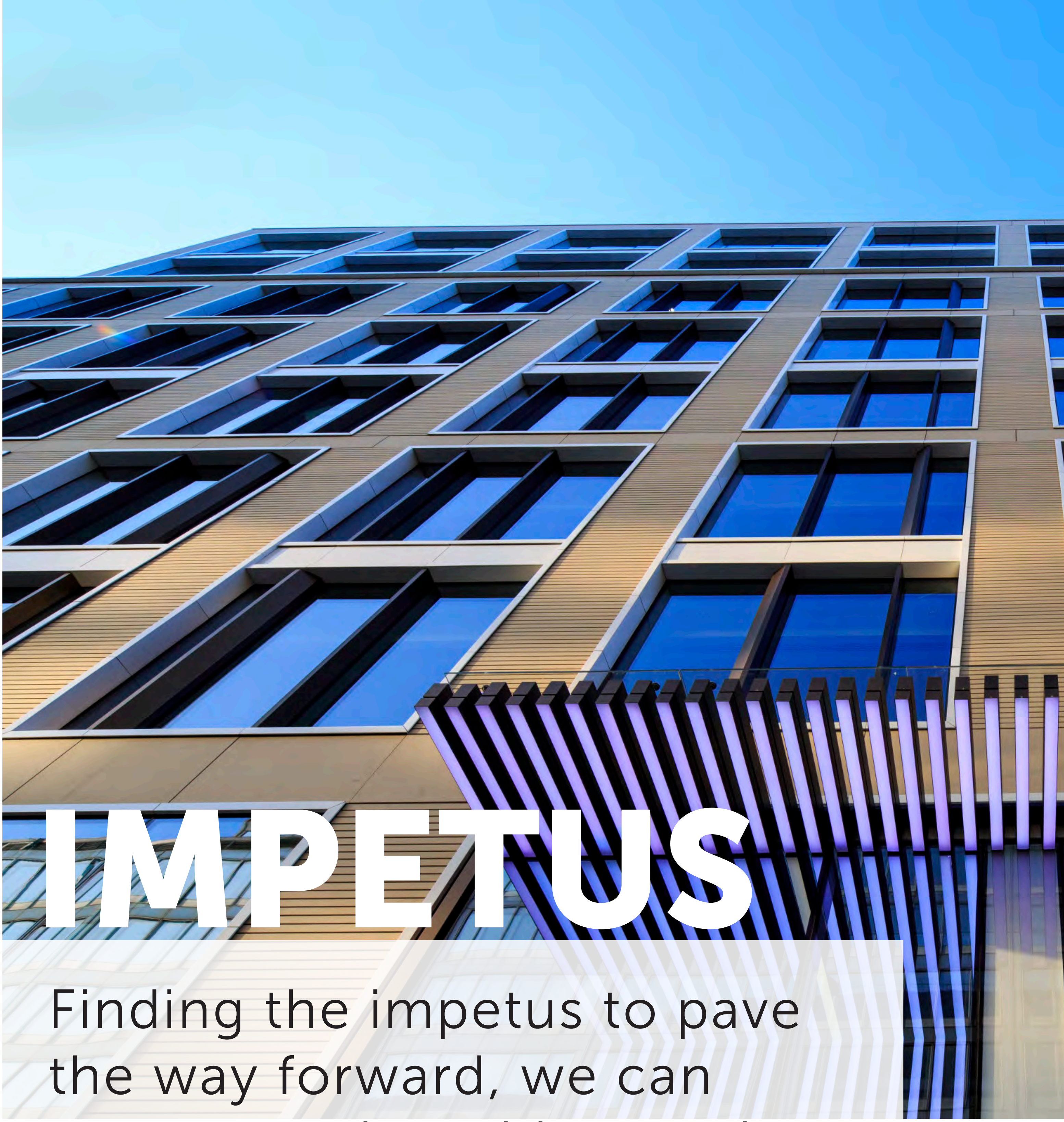
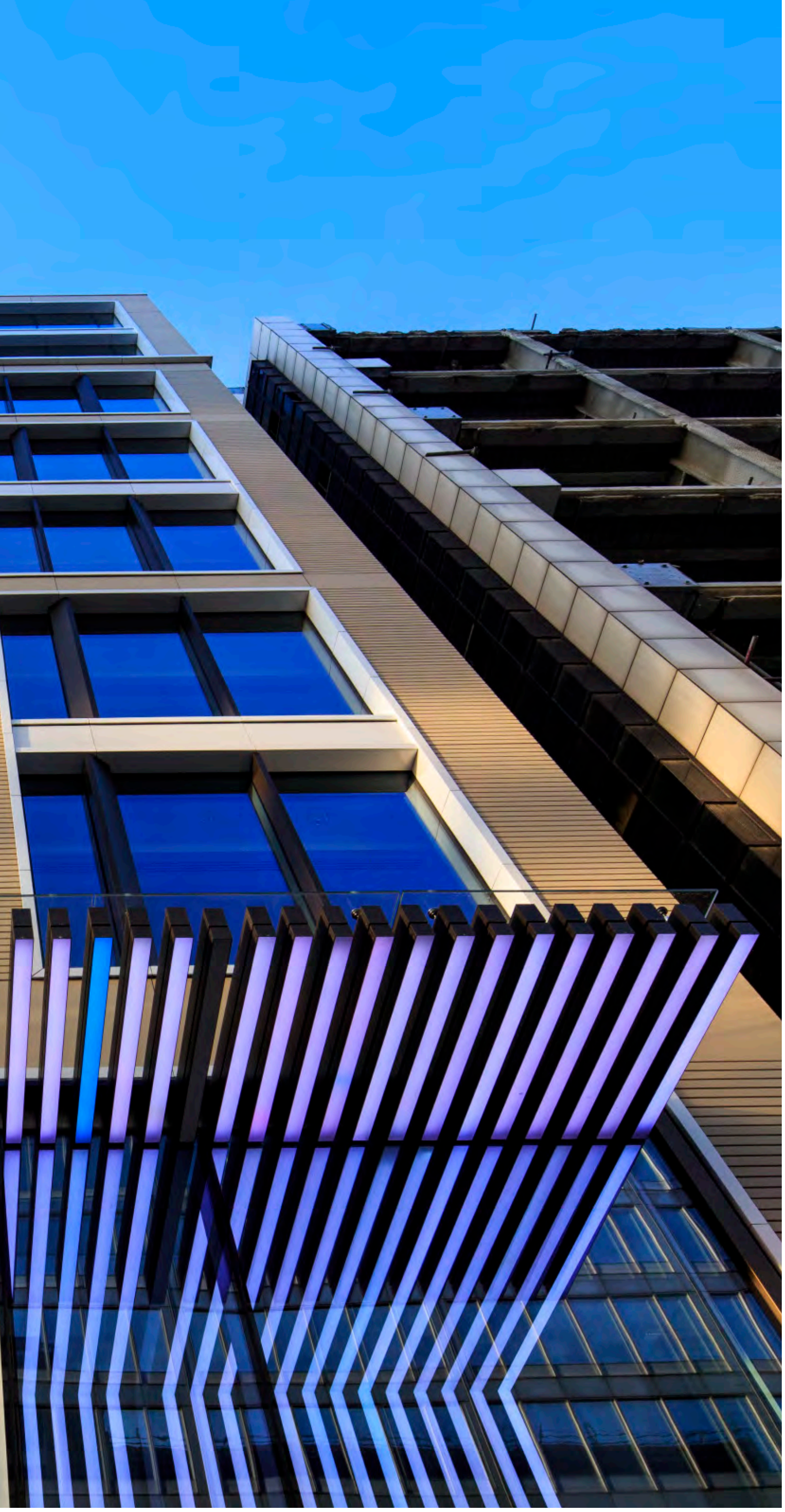


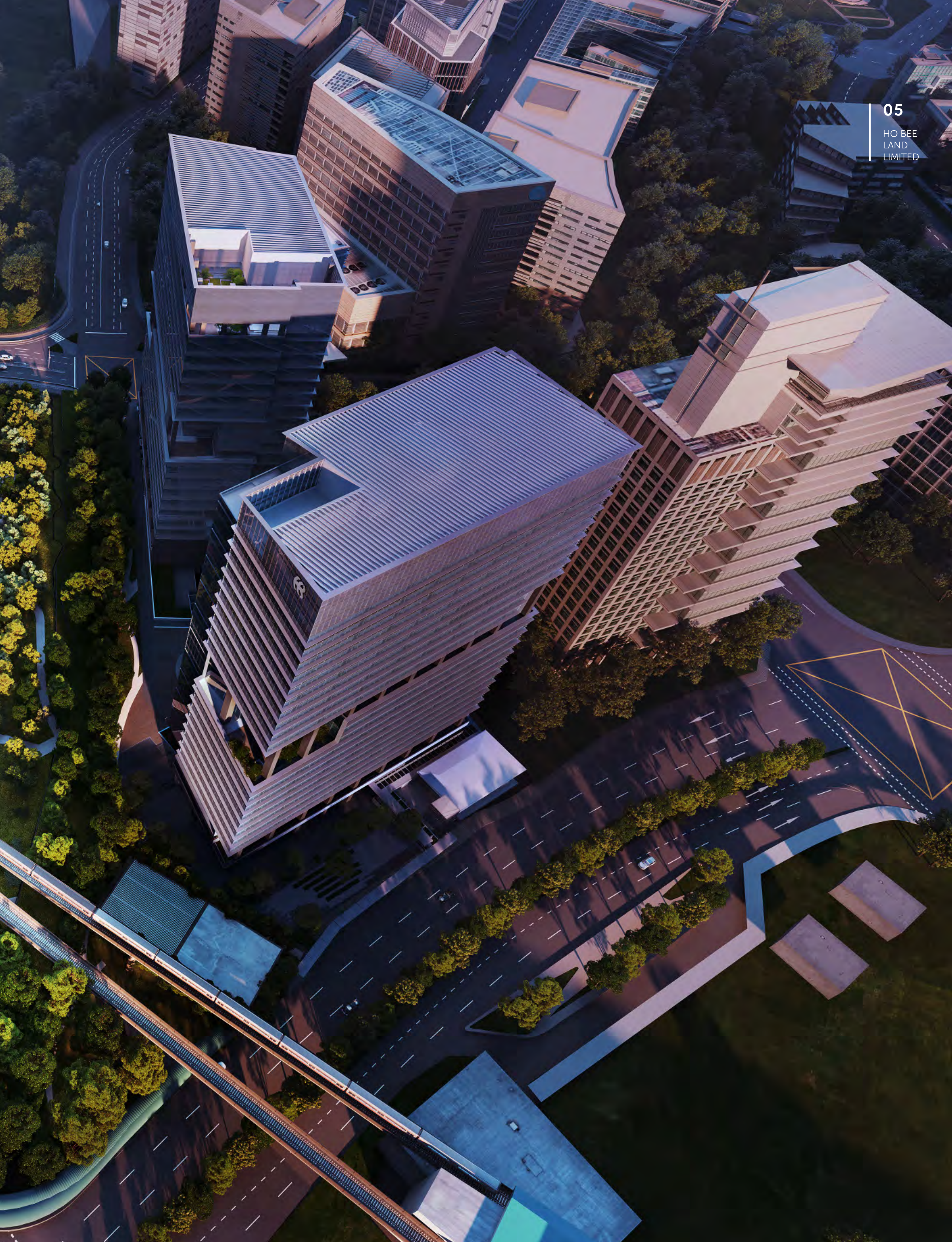
IMPETUS

Finding the impetus to pave the way forward, we can overcome the odds even in times of adversity. We **build on the right steps** to achieve new heights.



TRUST

Enhancing our core competencies and strengthening ties with trusted partners, we reinforce our position as the **Developer of Choice.**



CHAIRMAN AND CEO STATEMENT

DR CHUA THIAN POH
Executive Chairman

DEAR SHAREHOLDERS,

Last year, central banks around the world were rapidly hiking interest rates to rein in inflation. Coupled with geopolitical tensions and supply chain disruptions, we were facing a very challenging operating environment for our business. Nonetheless, our resilient investment income base and diverse development portfolio have enabled us to weather these headwinds.

We are therefore pleased to announce that the Group continues to remain profitable in FY2022. We outline below the Group's financial performance and provide a brief overview of our business operations in each geographical market.

FINANCIAL OVERVIEW

In FY2022, our revenue increased by 25% to S$435.6 million from S$347.7 million a year ago, largely due to higher development and rental income. During the year, development sales increased by 42% year-on-year to S$175.9 million (FY2021: S$124.0 million), mainly contributed by higher lot sales in Australia. Rental income also increased 16% year-on-year to S$259.7 million (FY2021: S$223.7 million) chiefly due to rental contributed by The Scalpel, which we acquired in March 2022.

However, the Group's profitability declined by 50% year-on-year to S$165.9 million in FY2022 from S$330.5 million a year ago, largely due to net fair value loss on investment properties of S$98.7 million (FY2021: net fair value gain of S$53.1 million).

Net foreign exchange loss of S$18.4 million (FY2021: S$5.8 million) and a significant increase in the Group's interest expense to S$88.0 million (FY2021: S$39.8 million) also contributed to the decrease. The increase in expenses was due to the acquisition of The Scalpel and development projects in Australia.

Excluding fair value changes in investment properties, which is non-cash in nature, profit for the year would have declined by 5% year-on-year.

The Group's earnings per share is 24.98 cents per share compared to 49.77 cents per share a year ago. Total shareholders' fund as of 31 December 2022 was S$3.92 billion, representing a net asset value of S$5.90 per share (FY2021: S$5.92 per share). The slight decline in shareholders' fund was due to foreign currency translation losses taken to reserves and dividends paid during the year.

The Group's net gearing was 0.79 times as of 31 December 2022, compared to 0.62 times a year ago.

BUSINESS REVIEW

SINGAPORE
In Singapore, following our successful re-launch of selected apartments in Turquoise and Seascape in 2021, the Group proceeded to launch its last project in Sentosa Cove, Cape Royale, in July 2022. The launch was met with strong interest, and together with Turquoise and Seascape, we doubled our total sales to about S$400 million during the year.

Additionally, with a buoyant residential rental market, the Group maintained a high average occupancy of more than 90% throughout the year for the remaining units in Sentosa Cove that are for lease.

Our flagship office building, The Metropolis, enjoyed full occupancy at the end of 2022. It continues to anchor our rental income in Singapore. In FY2022, the Group's portfolio of properties in Singapore generated a total rental income of S$101.8 million, an increase from S$99.7 million in FY2021. Consequently, the Singapore portfolio recorded a net fair value gain of S$103.2 million in FY2022.

Construction of our upcoming biomedical facility, Elementum at one-north, is progressing well. We are glad to announce that we have pre-committed more than 70% of the development to date. We expect this project to contribute strongly to the Group's revenue in FY2024 when it is completed in the second half of 2023.

LONDON
In London, with the acquisition of The Scalpel in March 2022, we now have eight prime office buildings, with a total investment of approximately £2.0 billion. The Scalpel, a Grade A trophy office building in Central London, was fully leased and was the main contributor to the increase in our rental income. In FY2022, our total rental income was £92.2 million, an increase from FY2021, which was £66.7 million.

However, the London portfolio was adversely affected by the rising interest rates, which impacted the capitalization rate used to value the portfolio. As a result, the Group recorded a fair value loss of £122.5 million in FY2022.

AUSTRALIA
Our master-planned residential developments in Australia have started to contribute more to the Group's profitability in FY2022. During the year, the Group delivered 345 lots to buyers in our projects

MR NICHOLAS CHUA
Chief Executive Officer

in Victoria and Queensland. Total revenue contributed by our Australia operations in FY2022 was A$124.2 million (FY2021: A$48.2 million).

With a combined land bank of close to 4,300 lots, we have a good development pipeline for the next few years.

CHINA
In Tianjin, our latest joint venture project comprises 751 high-end residential units. To date, approximately 60% of the units have been pre-sold. In Nanjing, our 3,052-unit residential project has started to contribute to the Group's profits. This project has been substantially sold and the handover of the residential units started in the second quarter of FY2022. The Group's share of profit from the Nanjing project in FY2022 was RMB101.4 million (FY2021: nil).

The Group's 3,669-unit joint venture residential project in Zhuhai entered its last phase of sales in FY2022. Located along Zhuhai's picturesque seafront, this project was almost fully sold, and our share of profits amounted to RMB60.2 million in FY2022 (FY2021: RMB167.2 million).

In Tangshan, our residential units has also entered its final phase of sales. Approximately 67% of the remaining 230 residential and commercial units have been pre-sold, and the Group's share of profits from this project in FY2022 was RMB10.2 million (FY2021: RMB212.0 million).

EUROPE
The Group has existing investments in a European real estate fund and Notes backed by prime office assets in Germany. During the year, the divestment of one of the German prime office assets in Munich was completed. The Group recorded a fair value gain on the Munich Notes investment of €19.2 million (FY2021: €24.6 million). The Munich Notes were largely redeemed during the year and this contributed to the drop in the fair value of the Group's European investments to €54.2 million (FY2021: €147.7 million).

BUSINESS PROSPECTS

While 2022 was a challenging year, we expect 2023 to be equally challenging. The effects of interest rate hikes, as well as the war in Ukraine and the geopolitical tensions among the major superpowers, continue to cast a shadow on the three key markets of Singapore, the United Kingdom and Australia that we operate in. The continuing high interest rate environment will adversely affect the Group's financial performance for the year. Nevertheless, with a good pipeline of development properties in Australia and a resilient investment income base in Singapore and London, the Group is in a good position to face these challenges.

BUILDING A SUSTAINABLE FUTURE

We believe in giving back to society and protecting the environment as we build towards a better future. In February 2023, we established a Board Sustainability Committee, to strengthen the Board's oversight of the Group's sustainability, environmental, social and governance (ESG) strategies and initiatives. The Board Sustainability Committee will work closely with the Management team to monitor ESG factors which are material to our business.

For the first time this year, we published our first Taskforce on Climate-related Financial Disclosures (TCFD) report within this annual report. We look forward to refining our sustainability roadmap and will continue to engage our partners and stakeholders in this sustainability journey.

PROPOSED DIVIDEND

The Board is pleased to recommend a first and final dividend of 8 cents per share for FY2022. Subject to shareholders' approval at the Annual General Meeting of the Company to be held on 26 April 2023, the dividends will be paid on 25 May 2023.

ACKNOWLEDGEMENTS

We would like to extend our heartfelt thanks to fellow Board members and the management team for charting the way forward during one of the most challenging times in the Group's journey. Our progress would not have been possible without your guidance and dedication.

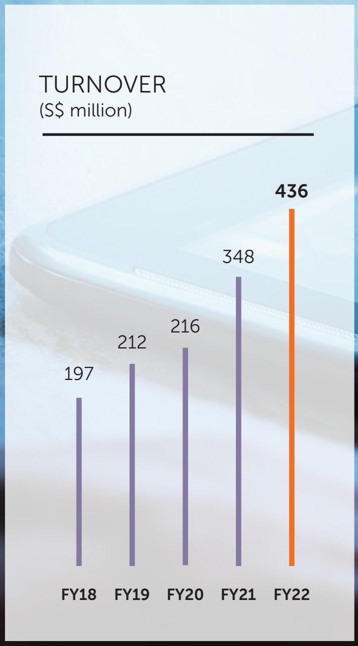
We would also like to acknowledge the hard work of our staff. Thank you for your commitment and perseverance. We are in a good position to emerge stronger together as we support and appreciate one another on this journey.

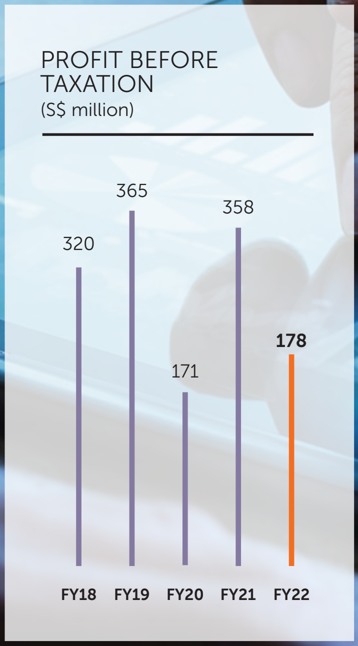
Finally, to our shareholders, tenants and business associates, thank you for your continued support and trust in the Company. We would like to wish everyone a healthy, safe, and prosperous year ahead.

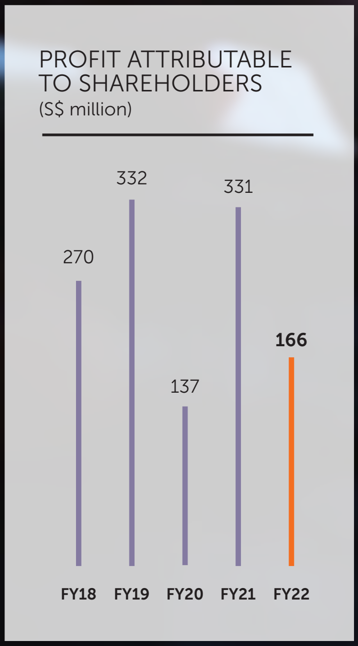
CHUA THIAN POH
Executive Chairman

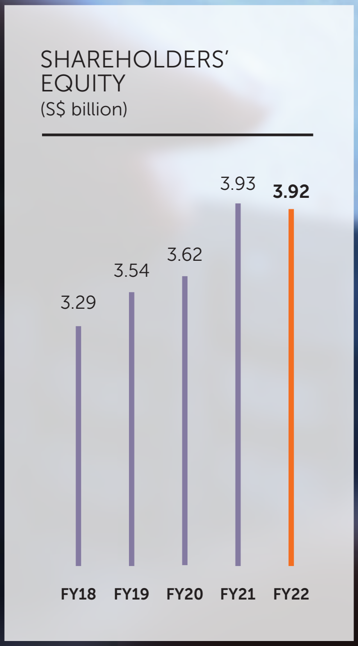
NICHOLAS CHUA
Chief Executive Officer

PERFORMANCE AT A GLANCE

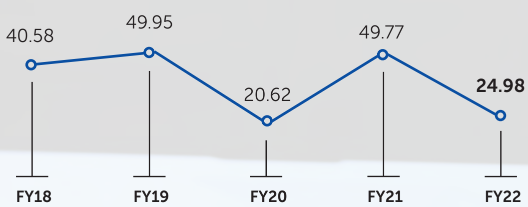




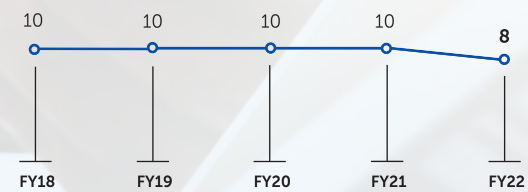




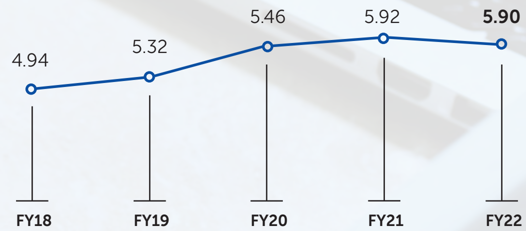
EARNINGS PER SHARE
(Cents)



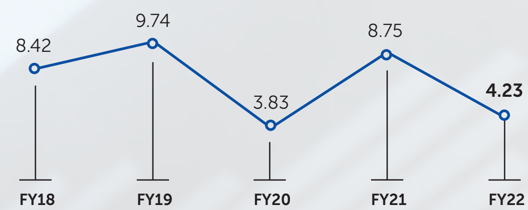
DIVIDENDS PER SHARE
(Cents)



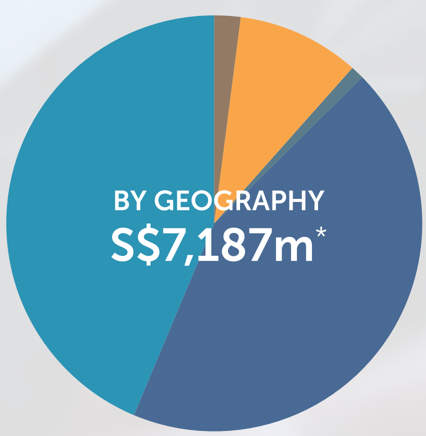
NET ASSETS VALUE PER SHARE
(S$)



RETURN ON EQUITY
(%)



PROPERTY PORTFOLIO



44%	45%	2%	8%	1%
Singapore	United Kingdom	People's Republic of China	Australia	Europe

76%	19%	1%	4%
Commercial	Residential	Industrial	Business Park

* Includes properties held by jointly-controlled entities and associates.

BOARD OF DIRECTORS

CHUA THIAN POH
Executive Chairman

Dr Chua Thian Poh is the founder of Ho Bee Group. He was appointed as the Group's Chairman and Chief Executive Officer in 1999. On 1 January 2022, he was redesignated as Executive Chairman.

Dr Chua has held several public appointments, such as the Non-Resident Ambassador of Singapore to the Republic of Maldives (2015 - 2019), a member of the Constitutional Commission for the review of Elected Presidency (2016), and a full member of the Council of Presidential Advisers (2019).

An active community leader, he serves as Honorary Patron of REDAS and Honorary President of Singapore Federation of Chinese Clan Associations, Singapore Chinese Chamber of Commerce & Industry as well as Singapore Hokkien Huay Kuan. He is also Honorary Chairman of Bishan East Citizens' Consultative Committee and Ren Ci Hospital.

Dr Chua has been conferred Honorary Doctor of Letters by the National University of Singapore in July 2019. Other awards include the Public Service Star (2004), Justice of the Peace (2005 – 2020) and Distinguished Service Order (2014).

NICHOLAS CHUA
Executive Director and
Chief Executive Officer

Mr Nicholas Chua was appointed as Executive Director and Chief Executive Officer on 1 January 2022.

He joined the Group in 2002 and held several senior management positions prior to his current appointment. Over the past 20 years, Mr Chua has been instrumental in leading the growth of the Group's development footprint in Australia and China, as well as the investments in Europe and the United Kingdom.

As CEO of the Group, he is responsible for the development and implementation of the Group's overall strategies and policies, as well as the management of the Group's development and investment portfolios.

Mr Chua started his career with DBS Group Holdings Ltd. He holds a Bachelor of Science in Finance and Marketing from the University of Oregon. Mr Chua is also the Board Chairman of Chua Foundation.

ONG CHONG HUA
Executive Director
Chief Operating Officer

Mr Ong Chong Hua joined the Group in 1995 as an Executive Director and was appointed as the Group's Chief Operating Officer in 2018.

Mr Ong works closely with the Executive Chairman and the Group's Chief Executive Officer in charting the Group's investment, development and marketing strategies. He is also responsible for all operational aspects of the Group's businesses in Singapore, the United Kingdom and Europe.

Mr Ong has more than 40 years of experience in the real estate sector. He began his career as a town planner with the Urban Redevelopment Authority in 1980 before joining Jones Lang Wootton (now known as Jones Lang LaSalle) in 1990 as Head of its Consultancy and Project Management Department.

Mr Ong holds a Master's Degree in Town and Regional Planning from the University of Sheffield, UK.

LIM SWEE SAY
Lead Independent Director

Mr Lim Swee Say was appointed to the Board in 2021. He is a trustee and Adviser of the National Trades Union Congress (NTUC), the Chairman of the NTUC-Administration & Research Unit Board of Trustees, a Director and an Adviser to NTUC Enterprise Co-operative Ltd and the Deputy Chairman of Singapore Labour Foundation.

Mr Lim joined the Labour Movement in 1996 and entered politics in 1997 to serve in various capacities including Minister of State for Trade and Industry, Minister of State for Communication and Information Technology, Minister for Environment, Second Minister for National Development, Minister in Prime Minister's Office and Minister for Manpower. He stepped down from the Cabinet in May 2018 and retired as a member of the Parliament in 2020.

Mr Lim graduated from Loughborough University with a First Class Honours degree in Electronics, Computer and Systems Engineering. He also holds a Master degree in Management from Stanford University.

KO KHENG HWA
Independent Non-Executive Director

Mr Ko Kheng Hwa was appointed to the Board in 2016. He is currently Chairman of Envision Digital International Pte Ltd and Senior Advisor to Envision Digital Group. He is an Independent Director of AIMS APAC REIT Management Limited, and serves as Senior or Expert Advisor to several companies.

Mr Ko held various public sector leadership positions, such as Managing Director of Economic Development Board, CEO of JTC Corporation, and CEO of National Computer Board. He was also CEO of Singbridge International Singapore Pte Ltd, CEO Sustainable Development & Living Business Division of Keppel Corporation Ltd, Chairman of Arcasia (now Ascendas) Land Singapore Pte Ltd, and Chairman of former NASDAQ-listed Pacific Internet Ltd.

Mr Ko's academic background includes Advanced Management Program, Harvard Business School; Masters in Management, MIT; and BA (Honours) in Civil Engineering, Cambridge University. A President Scholar, he was also conferred the Public Administration Gold Medal by the Singapore Government.

JOSEPHINE CHOO
Independent Non-Executive Director

Ms Josephine Choo was appointed to the Board in 2017.

Ms Choo is a Partner in the Specialist & Private Client Disputes Practice in WongPartnership. She is an experienced litigation lawyer who specialises in infrastructure and construction disputes, regulatory matters, corporate and partnership disputes, family law, criminal law and disciplinary proceedings.

Ms Choo is an accredited mediator with Singapore Mediation Centre and a member of the Inquiry Panel for the legal profession. She is a Director and Chairman of Dr Oon Chiew Seng Trust Limited and is also a Director of Jesuit Refugee Service (Singapore) Limited and Ho Bee Foundation.

Ms Choo graduated from the University of London in 1995. She was admitted to the English Bar (Middle Temple) in 1996 and to the Singapore Bar in 1998.

BOARD OF DIRECTORS

SEOW CHOKE MENG
Independent Non-Executive Director

PAULINE GOH
Independent Non-Executive Director

BOBBY CHIN
Non-Independent Non-Executive Director

Mr Seow Choke Meng was appointed to the Board in 2017. He was also appointed as a board member of Ho Bee Foundation in the same year.

Mr Seow is currently a Business Consultant of Cuscaden Peak Investments Pte Ltd, Chairman of Ren Ci Hospital, and Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry. His directorships include the Singapore Chinese Cultural Centre, Chinese Development Assistance Council Board of Trustee, Straco Leisure Pte Ltd, TTSH Community Fund, National Skin Centre Health Fund, Invest Healthcare Pte Ltd, and Times Development Pte Ltd.

Mr Seow is a veteran in the media industry having worked in SPH group for more than 40 years, holding various senior appointments in human resource, administration, circulation, properties and cultural industry promotion.

Mr Seow graduated from the University of Singapore with a Bachelor of Science (Honours) degree. He was conferred the Public Service Star in 2013.

Ms Pauline Goh was appointed to the Board in 2021. She is currently CBRE's Chairman of Southeast Asia. Over her decades long career at CBRE, Ms Goh has assumed several leadership roles, in which she steadily built the brand into the leading real estate services firm across Southeast Asia today.

Ms Goh is a Director of the Singapore Institute of Directors and an Honorary Real Estate Consultancy Advisor of Real Estate Developers Association of Singapore (REDAS). She is also a Department Consultative Committee Member of NUS Department of Real Estate.

Ms Goh graduated from National University of Singapore with a Bachelor of Science (Estate Management). She is a Fellow of the Singapore Institute of Surveyors and Valuers (SISV), as well as the Royal Institution of Chartered Surveyors.

Mr Bobby Chin was appointed to the Board in 2006. He was the Managing Partner of KPMG Singapore from 1992 until his retirement in 2005. He is an Associate Member of the Institute of Chartered Accountants in England and Wales.

Mr Chin was Chairman of Urban Redevelopment Authority from 2001 to 2006, and Chairman of Singapore Totalisator Board from 2006 to 2012. He was formerly a board member of Singapore Telecommunications Limited, Yeo Hiap Seng Limited, Frasers Logistic & Commercial Asset Management Pte. Ltd., Singapore Labour Foundation and a member of the Council of Presidential Advisers.

Mr Chin is the Chairman of the Housing & Development Board and Corporate Governance Advisory Committee and a Senior Adviser of NTUC Fairprice Co-operative Limited. He also sits on the boards of Temasek Holdings (Private) Limited, AV Jennings Limited and Frasers Property Limited.

MANAGEMENT TEAM

CHONG HOCK CHANG
Group Director, Projects and Marketing

Mr Chong Hock Chang was appointed as Group Director (Projects and Marketing) in January 2017. Mr Chong is responsible for the Group's projects, both local and overseas. He also steers the marketing of the Group's investment and development properties, both local and overseas. Prior to his current appointment, Mr Chong held several senior management roles since joining the Group in 1995.

Mr Chong started his career as a valuer at the Inland Revenue Authority of Singapore. He then joined Jones Lang Wootton (now known as Jones Lang LaSalle) as a consultant and undertook major research, feasibility studies and formulated marketing strategies for clients.

Mr Chong holds a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore. He currently serves as the Honorary Secretary on the Management Committee of the Real Estate Developers Association of Singapore.

MICHAEL VINODOLAC
Chief Executive Officer, Australia

Mr Michael Vinodolac joined Ho Bee Land in February 2020 as the CEO in Australia. He is responsible for charting the Group's property business and growth strategy in Australia.

Mr Vinodolac has more than 15 years of experience in the master-planned residential communities, having initially started his career as a lawyer before moving into development finance, followed by residential development roles.

Prior to joining Ho Bee Land, Mr Vinodolac was the Chief Operating Officer for Villa World Limited, an ASXlisted residential developer and home builder where he oversaw a substantial growth phase for the business.

Mr Vinodolac holds a Bachelor of Commerce in Accounting and Finance from Notre Dame University Australia and a Bachelor of Laws from Griffith University.

JOSEPHINE LEE
Finance Director

Ms Josephine Lee joined Ho Bee Land as Financial Controller in July 2018. She was promoted to Finance Director in January 2021.

Ms Lee is responsible for overseeing the Group's finance, accounting, tax, legal, risk management, corporate governance, and investor relations functions.

She has more than 20 years of diversified experience in the Big Four audit firms and commercial experience in Singapore and China. Prior to joining Ho Bee Land, Ms Lee was the Chief Financial Officer of the Managers of Frasers Hospitality Trust, and was responsible for the Managers' financial management and regulatory compliance and reporting, and the financial and capital management for Frasers Hospitality Trust.

Ms Lee holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University, Singapore, and is a Chartered Accountant of Singapore.

LOH LEE HONG
General Manager, Sales and Marketing

Ms Loh Lee Hong joined Ho Bee Land as General Manager, Sales and Marketing in February 2022.

Ms Loh has more than 30 years of marketing experience in the real estate sector. Prior to joining Ho Bee Land, she was the General Manager of UOL Group Limited and MCL Land, responsible for the sales and leasing of residential and commercial development projects in Singapore, London and Malaysia.

Ms Loh holds a Bachelor of Business Administration from the Thames Valley University, UK and Graduate Diploma in Marketing from The Chartered Institute of Marketing, UK.

KATHARINE KUM
General Manager, Projects and Property Management

Ms Katharine Kum joined Ho Bee Land as General Manager, Projects and Property Management in April 2020.

Ms Kum has more than 20 years of design and project development experience. She is responsible for planning and executing the design and construction of the Company's development projects, and also oversees the property management of investment projects in Singapore.

Ms Kum holds a Master of Science (Real Estate) from the National University of Singapore, a Bachelor of Architecture (Honours) degree and a Bachelor of Environmental Design degree from the University of Western Australia. She is a registered architect with the Singapore Board of Architects, a member of the Singapore Institute of Architects and the Singapore Institute of Arbitrators.

OUR PRESENCE


GERMANY
BERLIN & MUNICH
UNITED KINGDOM
LONDON
CHINA
NANJING, SHANGHAI, TANGSHAN,
TIANJIN, AND ZHUHAI
SINGAPORE
AUSTRALIA
QUEENSLAND & VICTORIA

PROJECTS UPDATE

SINGAPORE

ELEMENTUM

We are looking forward to our first biomedical sciences facility, Elementum, to be completed in the later part of 2023.

Modern, urban and built with purpose and functionality, Elementum integrates seamlessly within the vibrant one-north community and the Rail Corridor green infrastructure. Upon completion, this 12-storey mix development, next to The Metropolis, will comprise approximately 374,000 square feet of business park space for biomedical science research, as well as spaces for office, retail, and F&B.

With the excellent location and facilities, we have secured more than 70% pre-commitment from three key tenants to lease the business park space. The development is expected to contribute strongly to the Group's revenue from FY2024 onwards.

CAPE ROYALE

The residential market in Singapore has strengthened over the last few years, and the attractiveness of projects in Sentosa Cove became more apparent when homeowners place spacious apartments as a priority. This provided an opportunity for the Group to release selected apartments in Cape Royale for sale in July 2022.

Interest for the project has been encouraging, and to-date, we have achieved sales of close to S$390 million since the launch.

Separately, the rental market was also extremely buoyant in 2022. For the remaining Cape Royale units which we have been leasing out, the occupancy is at more than 90% as of end 2022.

> London has proved to be very resilient in spite of Brexit and the pandemic. It has been able to maintain its position as a key global financial hub with a robust office investment market. We are very excited to be able to seize this rare opportunity to acquire a landmark office tower which ticks all the boxes for quality, distinction and sustainability. We remain confident of London's long-term economic prospects and attractiveness to global investors.

- Mr Nicholas Chua, CEO,
Ho Bee Land's Press Release on
24 February 2022

LONDON

THE SCALPEL

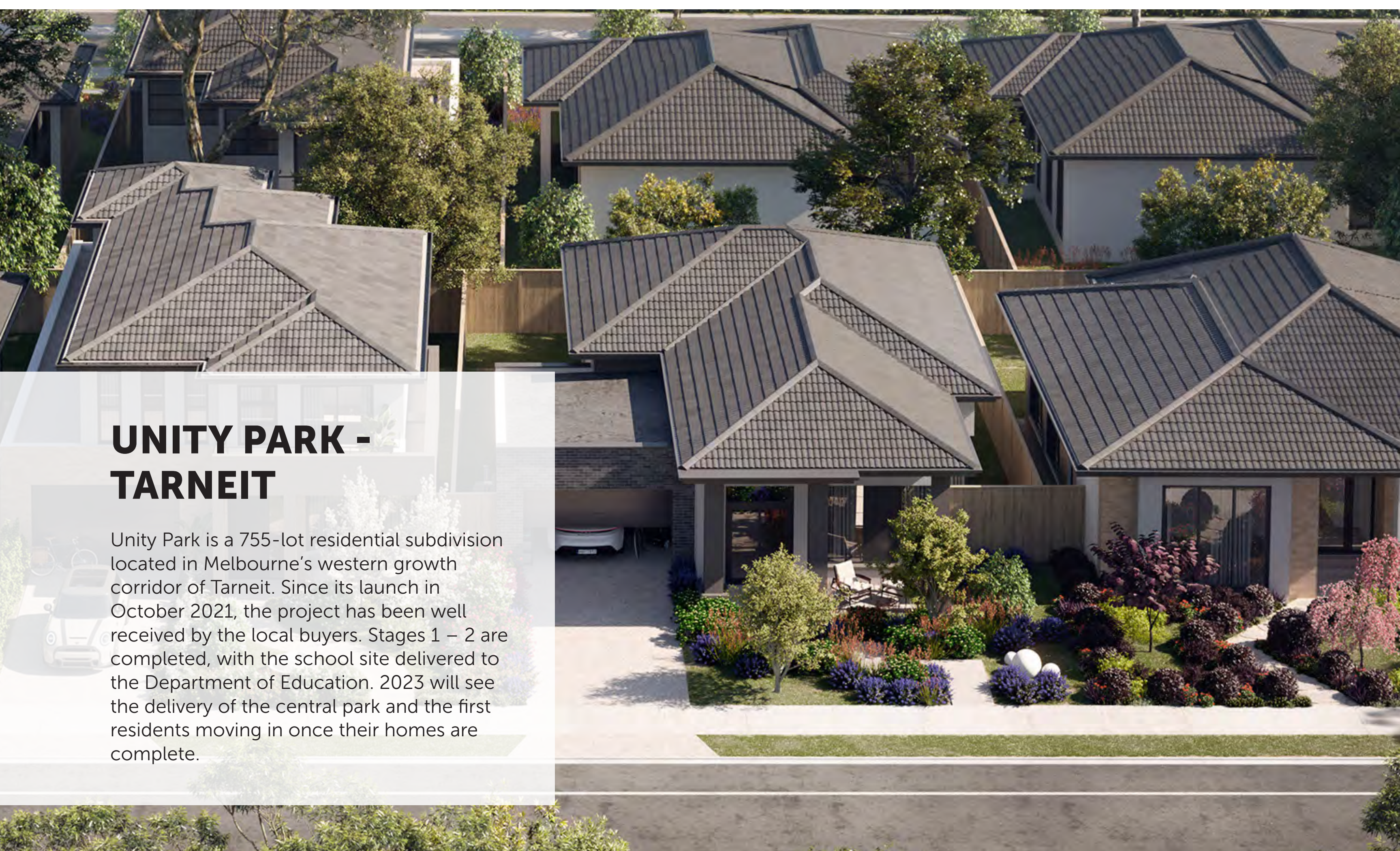
In March 2022, Ho Bee Land acquired **The Scalpel** for £718 million, marking a total investment of close to £2 billion in London this financial year. This prestigious freehold office building is centrally located In London's insurance hub with excellent transport connectivity and infrastructure. It features 406,000 square feet of best-in-class Grade A office space spread over 36 storeys. It ticks all the boxes in terms of Sustainability and has a BREEAM "Excellent" rating.

The offices enjoy 100% occupancy and are predominantly multi-let to reputable tenants from the insurance, financial, legal and technology sectors. The long tenancies of the leases offer secure 10-year passing rent of £29 million, further strengthening the Group's recurrent income base.

AUSTRALIA

CARRINGTON - OFFICER

The 119-lot project in Melbourne's highly sought after South East suburb of Officer is in close proximity to a wealth of amenities in nearby Beaconsfield and Berwick. Life at Carrington will offer an array of social, family and work options without the long commute. Carrington is now 87% sold with stages 1 – 3 being completed in FY22 and the balance of the project to be completed in FY23.



UNITY PARK - TARNEIT

Unity Park is a 755-lot residential subdivision located in Melbourne's western growth corridor of Tarneit. Since its launch in October 2021, the project has been well received by the local buyers. Stages 1 – 2 are completed, with the school site delivered to the Department of Education. 2023 will see the delivery of the central park and the first residents moving in once their homes are complete.

BELLEVUE - RIPLEY

Bellevue is located in the state priority development area of Ripley in South East Queensland. With 36% of the 577-lot project currently sold, all the major external infrastructure works completed, and opening of the central park, this project is coming to life. New home owners have been moving into the neighbourhood as Bellevue's residential land continue to be in high demand.

THE POCKET - COLLINGWOOD PARK

Located in the well-established suburb of Collingwood Park, buyers are surrounded by good amenities only 32km from Brisbane CBD, 10km from Springfield town centre and 1.8km from Redbank Plaza shopping centre. This 199-lot project is now 55% sold and stages 1 – 3 are fully completed with the recent inclusion of a new state school.

FUTURE PIPELINE

TILLERMAN - PARK RIDGE

The 21.16 hectare site is located 35km from the Brisbane CBD within the major growth area of Logan City Council. Upon completion, the project will deliver over 300 home sites and a one-hectare regional park for future residents. The site also directly adjoins the Hubner park sporting fields which have been earmarked for a major upgrade by the government. With stage 1 under construction, Tillerman will contribute to revenue in FY23.

WOODSONG - MICKLEHAM

The 53.82 hectare site is located in Melbourne's North and directly adjoins the well-established suburb of Craigieburn. The Craigieburn Central shopping precinct is only 2km away and Craigieburn train station 5km away. Upon completion, the project will deliver approximately 700 home sites, regional sporting fields, a government school, and extensive green spaces and waterways. Sales are expected to launch in the second quarter of 2023.

AITKEN HILL - CRAIGIEBURN

The Aitken Hill property is a large 68.52 hectare infill development strategically located in a key growth area approximately 22km from the Melbourne CBD, and 10 minutes from the Melbourne International Airport. Upon completion, the project will deliver over 1,000 residential lots, open green spaces, parks and waterways.

SUNVALE - CALAMVALE

The Calamvale property is a rare infill opportunity located only 20km from the Brisbane CBD. It comprises 49 residential lots, with excellent amenities within a 1km radius, including Central Park Shopping Centre, Highlands Drive Park, Calamvale Shopping Plaza and Sunnybank Hills Shopping town. The renowned Westfield Garden City and Griffith University are within 5-6km. Construction is ongoing, with 43% of the project currently sold.

CORPORATE STRUCTURE

Ho Bee Land Limited

- Ho Bee Developments Pte Ltd
  - Ho Bee Realty Pte Ltd
  - Ho Bee (Eastwood Park) Pte Ltd
  - Ho Bee (Pasir Ris) Pte Ltd
  - Ho Bee (One North) Pte Ltd
- HB Properties International Pte Ltd
- Pacific Rover Pte Ltd
- HB Venture Capital Pte Ltd
- HBS Investments Pte Ltd
  - Parliament View Developments Limited
    - Parliament View Management Company Limited
- HB Le Grand Pte Ltd
- HB St Martins Pte Ltd
- HB Mayfair Pte Ltd
- HB Victoria Pte Ltd
- HB Croydon Pte Ltd
  - Kempster Investments Limited
- HB Universal Pte Ltd
- TMK Orion Pte Ltd
- Ho Bee Cove Pte Ltd 90%
- Seaview (Sentosa) Pte Ltd 50%
- Pinnacle (Sentosa) Pte Ltd 35%
- Stream Field Investments Limited
  - Emmatown Properties Ltd
- Grandeur Property Investments Limited
- 34 Leadenhall Street Limited
- HB Lime Street Limited
- HB Land Pty Ltd
  - HB Doncaster Pty Ltd
    - HB Park Ridge 83.9%
  - HB Ferny Pty Ltd
    - Elwood Tiuna Development Pty Ltd 60%
  - HB QLD Pty Ltd
  - HBL NSW Pty Ltd
  - HBL VIC Pty Ltd
  - HB Australia Pty Ltd
  - Queensgate Investments Pty Ltd
- HB Oracle Pty Ltd
  - Elwood Tiuna Pty Ltd 49%
  - Wollert JV Pty Ltd 49%
- HB Investments (China) Pte Ltd 80%
  - Yanlord Ho Bee Investments Pte Ltd 50%
    - Yanlord Ho Bee Property Development (Tangshan) Co., Ltd 100%
- Shanghai Yanlord Hongqiao Property Co., Ltd 40%
  - Nanjing Renbei Property Development Co., Ltd 75%
    - Nanjing Yusheng Real Estate Co., Ltd 26%
- Zhuhai Yanlord Heyou Land Co., Ltd 20%
  - Zhuhai Yanlord Heyuan Land Co., Ltd 100%
- Tianjin Renmei Real Estate Co., Ltd 49%
  - Tianjin Yanlord Ho Bee Property Development Co., Ltd 100%

- Incorporated in Singapore
- Registered in Australia
- Incorporated in British Virgin Islands
- Incorporated in Island of Jersey
- Incorporated in People's Republic of China
- Incorporated in United Kingdom

Entities are 100% owned unless otherwise stated.

SUSTAINABILITY REPORT

BOARD STATEMENT

FY2022 was a year of transformation and continuous adaptation. As we transition from the COVID-19 disruptions and amid the global geopolitical tensions that has been disrupting global supply chains, we remain committed to our mission of Enhancing Economic Value, Contributing to a Sustainable Environment, Developing our People, Enriching our Communities, and Strengthening Corporate Governance. This is underpinned by our strategy of building for efficiency.

The Board of Directors of the Company (the "Board") is pleased to present the Sustainability Report for the financial year ("FY") ended 31 December 2022. The Report provides an overview of the Company's performance in the key Environmental, Social, and Governance ("ESG") topics for the year. Through this Report, we demonstrate our commitment towards incorporating sustainable practices into our business, offer our stakeholders insights into the Company's business model, strategies, values, as well as provide key financial and operating information in a transparent manner.

The Board is accountable and responsible for the Company's sustainability and long-term success. The Board oversees the management and monitoring of the ESG factors identified as material to the business. The Board works closely with the management team to ensure that the ESG factors are monitored and reviewed on an ongoing basis. This includes ensuring that a risk management system has been established.

In FY2022, we conducted a materiality refreshment exercise to review and refresh our material ESG factors. This led to the outcome of 4 new material topics, i.e., emissions, waste, occupational health and safety, and customer health and safety. All Board members have also undergone training on sustainability matters in FY2022 to equip themselves with the right knowledge to lead the Company towards sustainability. In this Report, we are pleased to share with our stakeholders a perspective of our sustainability efforts.

To tackle the pressing global climate issues, we further built on our responsibility for sustainability and have since embedded climate action into our business plans. We believe this would enable us to be future-resilient and support the long-term sustainability of our business. In FY2022, we began measuring and tracking greenhouse gas emissions (scope 1 and scope 2) from our operations in Singapore and London. We also conducted our first climate risk assessment to build our environmental strategy. To demonstrate our commitment to climate action, published herein is the Company's inaugural Task Force on Climate-related Financial Disclosures ("TCFD") report.

We are proud to share that our flagship property in Singapore, The Metropolis, continues to be Green Mark Platinum Certified, and two of our properties in the United Kingdom, The Scalpel and Ropemaker Place have been awarded BREEAM ("Building Research Establishment Environmental Assessment Method") "Excellent" sustainability rating, and Ropemaker Place was also the first building in the City of London to achieve a LEED ("Leadership in Energy and Environmental Design") Platinum pre-certification for sustainability. We will continue to seek opportunities to invest and develop greener and more sustainable properties.

Further, following the green loans secured for The Metropolis and Ropemaker Place, London, in 2018, the Company has secured S$282.3 million in green loans for the Elementum development with three major banks acting as Green Loan advisers under the Company's Green Finance Framework. The adoption of this Framework is another example of the Company's initiatives towards meeting sustainable development goals. The Board remains committed towards incorporating resilient and sustainable business practices in the pursuit towards enhancing stakeholders' value.

FY2022 was an opportune time to take stock of how far we have come. Our disclosures published in the Report are a testament to our achievements and progress as we continue to be a responsible sustainability steward that positively impacts the communities in the markets where we operate.

On behalf of the Ho Bee Land Board and Management, we wish to acknowledge the continued support from our stakeholders in our goal of achieving sustainable growth and development.

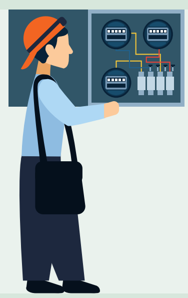
Nicholas Chua
Chief Executive Officer

FY2022 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

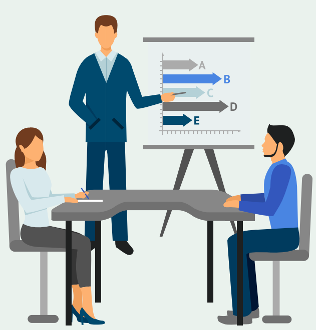
Ho Bee Land has made good progress in our sustainability journey in FY2022, with the initiation to start building our Scope 1 and 2 carbon inventory and reporting with reference to the TCFD recommendation. Overall improvement in ESG performance was also observed – highlights below:

FIRST YEAR OF MEASURING SCOPE 1 AND 2 EMISSIONS

ELECTRICITY INTENSITY DECREASED BY 6% IN FY2022



FIRST PUBLICATION OF TCFD



75%

increase in average training hours per employee compared to FY2021

19%

increase in CSR expenditure for charities and community partners

3.3 TIMES INCREASE IN TOTAL WASTE RECYCLED

ABOUT THIS REPORT

Ho Bee Land has been committed to sustainability reporting since our first Report in 2017. We are pleased to present the Company's sixth annual Sustainability Report for the financial year 1 January 2022 till 31 December 2022 (the "FY2022" or "reporting period").

This Report covers the Company's strategies, initiatives and performance in relation to ESG topics material to our operations in Singapore, where Ho Bee is headquartered, as well as our key properties in London. All data, statistics and targets are in relation to the Company's flagship property in Singapore, The Metropolis, and the three investment properties in London - 1 St Martin's Le Grand, Ropemaker Place, and The Scalpel. As at FY2022, these four properties constitute 80% of the Company's portfolio by asset value.

GRI AND TCFD

The sustainability practices described within this Report are with reference to the primary components set out in Listing Rule 711A and 711B on a "comply or explain" basis. We continue to reference the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards 2021") in the disclosure regarding our sustainability practices and material ESG topics. Please refer to the GRI Content Index on page 47 of this Report for further information on the relevant references.

In view of SGX's recommendation on enhanced disclosures on climate-related information, which was released in 2021, herein we also present our approach to climate-related governance, strategy, risk management, metrics and targets, with reference to the TCFD recommendations.

The Company continues to align the material ESG topics identified to relevant United Nations Sustainability Development Goals ("SDGs"). We hope to contribute to a better and more sustainable future for all through this shared blueprint towards the 2030 Agenda for Sustainable Development.

This Report is published annually as part of our reporting to Shareholders. As part of our sustainability efforts, no hard copies of the Report have been printed. This Report is available on our website at **www.hobee.com**.

We welcome feedback from our stakeholders as we continuously improve our sustainability performance, reporting, and progress in our sustainability journey. Please contact us at +65 6704 0888 or drop us an inquiry at investorrelations@hobee.com.

SUSTAINABILITY AT HO BEE LAND

We provide a roadmap for employees to work towards the mission of "Ho Bee Land's Sustainability Value Creation" through five pillars – Enhancing Economic Value, Contributing to a Sustainable Environment, Developing our People, Enriching our Communities, and Strengthening Corporate Governance.

Our Mission

We recognise that the success of our business is inextricably linked to the progress of our people, the communities we live and work in, and the environment. We remain cognisant of our activities' social, ethical, and environmental impacts.

HO BEE LAND'S SUSTAINABLE VALUE CREATION

1 Enhancing Economic Value	2 Contributing to a Sustainable Environment	3 Developing our People	4 Enriching our Communities	5 Strengthening Corporate Governance
Enhanced profitability, value creation, distribution, and retention for shareholders.	Mitigating our environmental footprint.	Talent management strategy and practices.	Giving back to society through our philanthropic efforts.	Compliance with applicable laws and regulations including ethics, integrity, and anti-corruption.

Figure 1: Ho Bee Land's commitment to sustainability across five pillars

Our Sustainability Governance

The Board determines the overall direction for the Company's sustainability strategies. The Board is responsible for the evaluation and incorporation of sustainability issues as part of the Company's strategic formulation, and to approve and oversee the management and monitoring of ESG factors material to the business. To drive the Company's sustainability strategies, the Board has attended a sustainability training course and is kept up to date of current and emerging ESG issues, impacts, risks, opportunities, and trends and ensured compliance with mandatory ESG disclosure requirements. In FY2022, a sustainability committee was set-up at Board level to strengthen the Board's oversight of the Company's ESG strategies and initiatives.

The Sustainability Team is responsible for driving organisation-wide sustainability initiatives holistically. This includes the implementation and formalisation of sustainability policies and procedures, management processes, and sustainability development standards. The Team is also responsible for ensuring that the Board Sustainability Committee is regularly updated on Ho Bee's sustainability progress.

The Sustainability Team works closely with Ho Bee's Operations Committee, comprising representatives from Human Resources, Projects, Marketing, Facilities Management, Corporate, and Finance departments. The Committee supports Ho Bee's efforts in driving sustainability-related efforts, implementing sustainability objectives and strategy, and managing and monitoring overall sustainability performance.

Compliance with Laws and Regulations

We adhere to the highest standards of corporate governance practices as guided by the Code of Corporate Governance 2018. We also abide by all applicable laws and regulations including the listing rules and regulations set out by SGX.

Our properties are subject to environmental laws and regulations, including the Building Control ("Environmental Sustainability") Regulations administered by the Building and Construction Authority ("BCA"), as well as the Energy Conservation Act and Environment Protection and Management Act administered by the National Environment Agency ("NEA"). We continue to ensure that property managers conduct regular routine checks within the buildings for compliance with reporting requirements pertaining to the submission of environmental data. Our properties are also subject to periodic environmental audits by the local authorities.

In FY2022, the Company did not have significant instances[1] of non-compliance with all applicable environmental or socioeconomic laws and regulations, and we strive to maintain our overall compliance record.

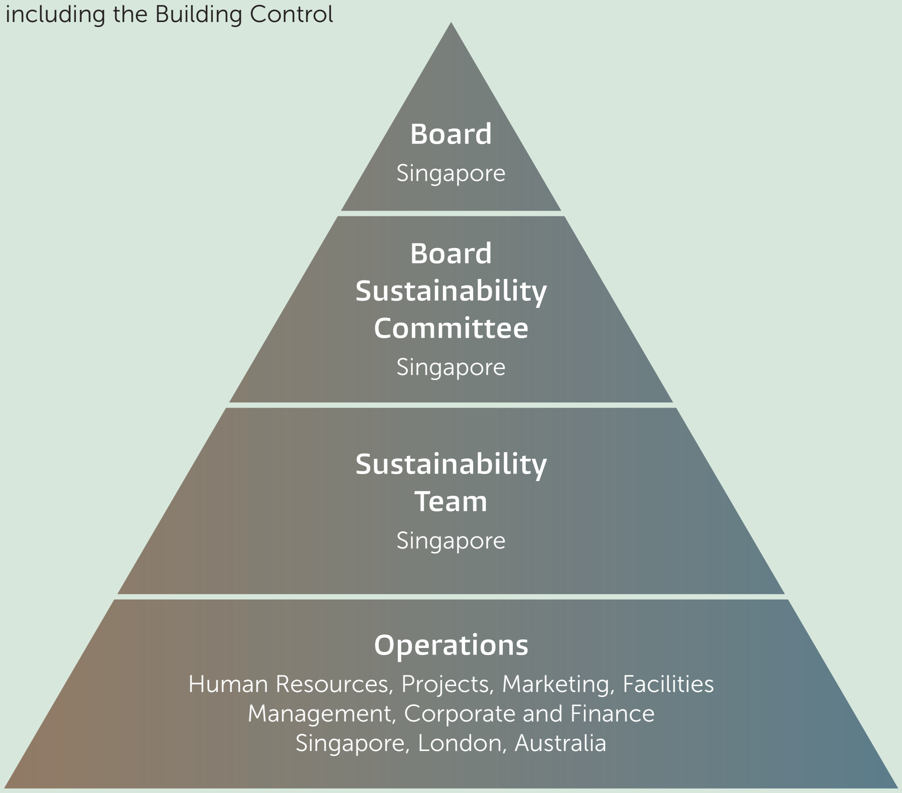


Figure 2: Ho Bee Land's sustainability governance structure

1 Significant instance refers to an instance resulting in a fine of more than S$10,000 or fines lesser than that but resulting in negative reputational impact.

Stakeholder Engagement

We believe multi-stakeholder engagements are important for making significant strides towards sustainability. Regular and meaningful stakeholder engagements ensure that we remain focused on the ESG topics that address changing stakeholder expectations, tackle emerging risks, and future-proof our business. Hence, we are committed to proactively cultivating relationships with our internal and external stakeholders. The insights and feedback from our key stakeholders shall form our sustainability strategy, engagement, reporting and disclosures.

We engage our stakeholders through various means of communication channels. These include meetings, reviews, discussions, and calls. In FY2022, we continued to have frequent engagement with our stakeholders, allowing us to build stronger relationships and be more effective in our decision-making process.

We have identified a total of six key stakeholder groups based on their influence on the Company's business and the impact of our business on them. A summary of our approach on stakeholder engagement is outlined below.

STAKEHOLDERS	KEY TOPICS RAISED	ENGAGEMENT PLATFORMS	FREQUENCY
Investors and Shareholders	• Long-term value creation • Strategy for growth • Sustain profitability and enhance shareholder return • Transparent reporting • Sound corporate governance practices • Active portfolio management	• Investor meetings • Singapore Exchange announcements and press releases on our corporate website • Email and phone channels	Throughout the year
		• Annual General Meeting	Annually
Customers (Tenants)	• Lease terms and facilities management • Responsiveness to requests and feedback of tenants • Data Privacy	• Tenant meetings and feedback sessions to exchange ideas and updates on important initiatives and matters • Established enquiry communication channels (email or phone calls) for tenants and property-related issues	Throughout the year
Employees	• Equitable remuneration • Fair and competitive employment practices and polices • Safe and healthy work environment • Focus on employee development and well-being • Performance • High talent retention and career advancement	• Training and development • Recreational and wellness activities • Regular e-mails and meetings • Induction programme to cultivate coaching, learning, and development of our new employees	Throughout the year
		• Performance appraisals	Annually
Communities	• Environmental and social impact • Responsible and ethical business practices • Contributions to communities	• Corporate volunteering • Corporate giving and philanthropic activities through Ho Bee Foundation	Throughout the year
Government and Regulators	• Environmental compliance • Labour standard compliance • Regulatory and SGX listing requirements	• On-site inspections • Meetings and dialogue sessions • Membership in industry associations • Regulatory filings	Throughout the year
Business Partners and Suppliers	• Equitable treatment of business partners • Regular and punctual payments	• Supplier assessments for main property development suppliers • Regular dialogue sessions with service providers and property managers • Established channels of communication	Throughout the year

Memberships and External Initiatives

- Real Estate Developers' Association of Singapore (REDAS)
- Singapore Chinese Chamber of Commerce and Industry (SCCCI)
- Singapore Business Federation (SBF)

Materiality Assessment
[GRI 3-1, GRI 3-2]

We adopt a four-step approach, based on the guidelines on GRI Materiality Standards and Principles. An annual review of material ESG topics was conducted to ensure our sustainability efforts are aligned with our business goals, market practice, and stakeholders' expectations. Both internal and external perspectives on ESG factors were examined through comprehensive research and in-depth stakeholder engagement. This includes the introduction of a materiality assessment workshop, to identify, prioritise and validate ESG topics that matter most to our business performance and stakeholders, including considerations of revenue, cost, and risk management.

STEP 01 — **Identification** of material topics through in-depth stakeholder engagement and comprehensive research

STEP 02 — **Prioritisation** of topics based on the significance and importance to our stakeholders

STEP 03 — **Validate** with Management and Board on the identified material topics

STEP 04 — **Review** these material topics and reassess their relevance and significance to the Group

Figure 3: Ho Bee Land's materiality assessment approach

Materiality Matrix

With the four-step approach, we have identified 13 material topics under the five pillars as shown in Figure 4. We continue to align our ESG efforts with 12 of the United Nations Sustainable Development Goals (SDGs).

ENHANCING ECONOMIC VALUE	CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT	DEVELOPING OUR PEOPLE	ENRICHING OUR COMMUNITIES	STRENGTHENING CORPORATE GOVERNANCE
• Economic Performance	• Greenhouse Gas Emission • Energy • Water • Waste	• Employment • Diversity and Equal Opportunity • Training and Development • Occupational Health and Safety	• Local Communities	• Business Ethics, Compliance and good Governance • Customer Health and Safety • Customer Privacy
GRI 201	GRI 305, 302, 303, 306	GRI 401, 405, 404, 403	GRI 413	GRI 205, 416, 218
8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

● New material topics

Figure 4: Ho Bee Land's materiality matrix

The proposed material topics have been reviewed and approved by management and the Board to ensure the prioritised material topics remain relevant and significant to us.
The following updates have been made to the material topics:

- Renamed "Anti-Corruption" from an existing material topic to "Business Ethics, Compliance and Good Governance".
- Inclusion of "Greenhouse Gas Emissions", "Waste", "Occupational Health and Safety" and "Customer Health and Safety" as new material topics.

CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

Greenhouse Gas Emissions

[GRI 305-1, 305-2, 305-4]

With the Intergovernmental Panel on Climate Change ("IPCC") Working Group's sixth report published in August 2021, it is clear that urgent action is needed to limit the human influence on global warming. Although global surface temperatures are predicted to continue rising until 2050 under all emissions scenarios, the general view is that the longer-term outcomes can still be managed if the world makes significant reductions in its emission of greenhouse gas ("GHG").

We recognise the importance of global efforts to limit the effects of climate change. As such, we embarked on our journey to align with the TCFD framework in FY2022, captured in our inaugural TCFD disclosures, which covered the critical physical and transition risks our businesses face.

Focusing on climate action will support the long-term sustainability of our businesses and allow us to be future-resilient as the pace of transition towards a low-carbon economy quickens. We see GHG emissions measurement as a key step in climate action and developing climate-related risk mitigation measures.

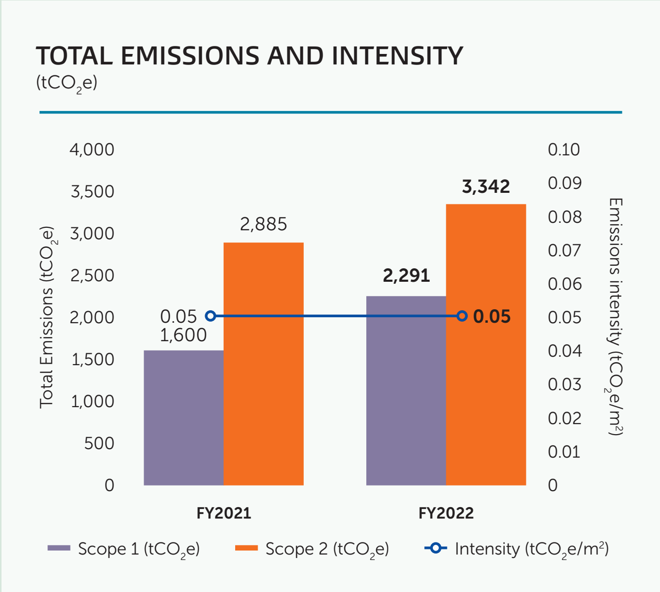
In FY2022, we have started developing a baseline inventory for our Scope 1 and 2 emissions following the operational control approach and plan to track the trend going forward. Our emissions are calculated in line with the methodology proposed by the GHG Protocol and associated standards. We measured and reported total emissions[2] of 5,633 tCO_2e (Scope 1 and Scope 2), a 26% increase compared to FY2021 of 4,485 tCO_2e, partly due to the acquisition of The Scalpel in March 2022 and people returning to offices. As for emission intensity[3], it remained at 0.05 tCO_2e/m^2 in both FY2022 and FY2021.

In the coming years, we will remain cognisant of our GHG emissions and will continue to implement new initiatives and identify opportunities to reduce our emissions:

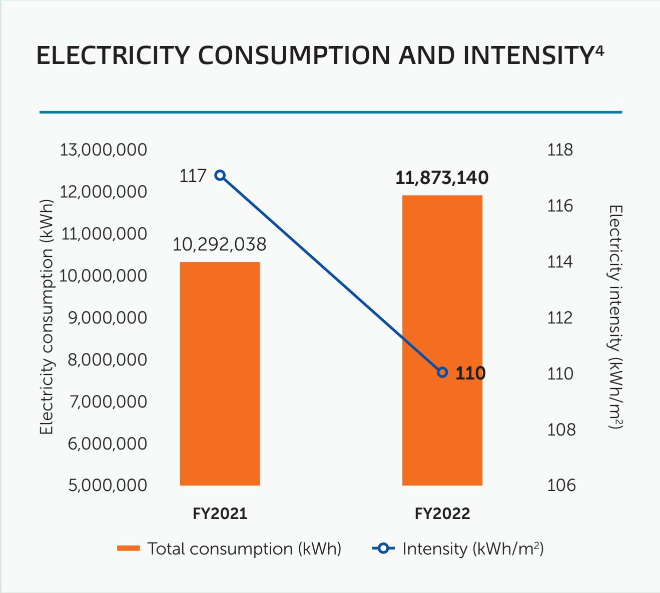
- Extend measurement of Scope 1 and 2 emissions to other properties;
- Measure and track our Scope 3 GHG emissions along the supply chain in accordance with the guiding principles of the GHG Protocol;
- Introduce initiatives to conserve energy and contribute to reducing greenhouse gas emissions;
- Manage our Scope 1, 2 and 3 emissions by aligning our goals and reduction targets towards net-zero by 2050.

Energy
[GRI 302-1, 302-3, 302-4]

We are committed to reducing overall electricity consumption and continuously look for ways to improve our usage efficiency. We recognise that effective management of energy consumption not only minimises our environmental impact through energy conservation measures but also has the potential to significantly reduce our operating costs and boost our economic performance.



- Scope 1 refers to direct GHG emissions arising from fuel combustion from the use of backup generators and gas used in boilers and centralised heating, as well as emissions from refrigerants.
- Scope 2 refers to indirect GHG emissions arising from purchased electricity consumed at the common areas.



2 We adopt the operational control approach to calculate our Scope 1 and 2 emissions in accordance with the GHG Protocol. Properties included in the consolidation of emission data follow the scope of this Report. As we only acquired the Scalpel in March 2022, data relating to this asset prior to the acquisition was not included. The emission factors used in the calculation of emissions were derived from the UK Department for Environment, Food and Rural Affairs and Singapore's Energy Market Authority. For the calculation of Scope 2 emissions relating to The Metropolis, January 2021 to December 2021 data will reference EMA 2020 emission factor of 0.4074, and January 2022 to December 2022 data will reference EMA 2021 emission factor of 0.4057.

3 Emission intensity in FY2022 is calculated based on the gross floor area (GFA) of common areas in the 4 properties. The total GFA of common areas in the 4 properties is 110,724m^2. As The Scalpel was only acquired in March 2022, emission intensity in FY2021 is calculated based on the GFA of common areas in the other 3 properties (88,311m^2). For the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total emissions included full-year data (January 2022 to December 2022) from The Scalpel.

4 Energy intensity in FY2022 is calculated based on the GFA of common areas in the 4 properties. The total GFA of common areas in the 4 properties is 110,724m^2. As The Scalpel was only acquired in March 2022, energy intensity in FY2021 is calculated based on the GFA of common areas in the other 3 properties (88,311m^2). For the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total electricity consumption included full-year data (January 2022 to December 2022) from The Scalpel.

In FY2022, there was a 15% increase in total electricity consumption[5] to 11,873,140 kWh, due to the acquisition of The Scalpel in March 2022. However, electricity intensity of the four properties has decreased by 6% in FY2022. We aim to continually improve their energy performance through review and implementation of energy management plans. The various energy efficiency/clean energy initiatives that have been put in place for the four properties include:

INVESTMENT PROPERTIES	ENERGY EFFICIENCY/ CLEAN ENERGY INITIATIVES PUT IN PLACE
The Metropolis	The Metropolis was awarded BCA Green Mark Platinum. Innovative building design • Solar photovoltaic panel to harness sunlight and generate clean, renewable energy • Sun shading fins and double-glazed low-e glass on windows • Photocell sensors along the perimeter of the building to regulate lighting (photocell sensors will turn off lighting if there is sufficient daylighting at the perimeter) Energy efficiency features • Energy-efficient lighting system such as the T5 fluorescent lighting with high-frequency electronic ballast in all office spaces • Motion sensors in lavatories and stairwells • Variable voltage variable frequency lifts and escalators which are also equipped with sleep mode feature • Energy-efficient chiller plant with a system efficiency of 0.54 kW/RT and auto tube cleaning system • Carparks are equipped with CO sensors, which control and optimise the usage of carpark fans.
1 St Martin's Le Grand	The property has benefited from a number of Sustainability and M&E modifications over the years, including: • Replacement of common areas lighting with energy efficient LEDs • Passive Infrared Sensor (PIR) motion sensors to staircases for lighting control • Upgrade of the Building Management System (BMS) • Options for floor-by-floor refurbishment are under consideration with a view to enhance the Energy Performance Certificate (EPC) rating to B.
Ropemaker Place	Ropemaker Place was awarded BREEAM (Building Research Establishment Environmental Assessment Method) "Excellent" and was the first building in the City of London to achieve a LEED (Leadership in Energy and Environmental Design) Platinum pre-certification for sustainability. Innovative building design • Projecting windows reduce average annual energy consumption for cooling by up to 27% compared to a flat façade • Heating and hot water system use passive design and renewable energy systems • Heat is provided by a biomass boiler and dual fuel boilers located within the basement, which are exclusively run on natural gas. The biomass boiler runs off ethically sourced wood pellets. • Solar hot water panels on the rooftop provide preheated water to calorifiers located on the cores on each floor to reduce the hot water load.

5 Electricity consumption comprises of electricity used by lifts, escalators, lightings, pumps and air-conditioning at common areas. In particular, electricity consumed by air-conditioning units could not be segregated between usage by tenants and common areas. As such, the consumption was apportioned according to the GFA of tenanted areas and the buildings' common areas.

SUSTAINABILITY REPORT

INVESTMENT PROPERTIES	ENERGY EFFICIENCY/ CLEAN ENERGY INITIATIVES PUT IN PLACE
The Scalpel	The Scalpel was classified as BREEAM "Excellent" and has achieved EPC rating of B. Innovative building design • Offset the building's core to the south, providing more shade from the midday sun, thereby decreasing load on AC systems. • High performance façade • Solar Photovoltaic panels to harness sunlight and generate clean, renewable energy. Energy efficiency features • High performance glazing to control solar gains and reduce heat loss • Energy efficient LED lighting • Daylight sensors and presence detection on internal lighting • Heat recovery on AHUs • Variable speed, electronic controlled DC fan coil units • High-performance water-cooled chillers • Sub metering for all energy services • Reduced energy lift installation

In the long term, we hope to advocate for sustainable development and maintain our BREEAM Excellent performance, among other measures. We will also increase our value chain engagement with building users in ways that support and contribute to a greener future.

Water
[GRI 303-5]

We carefully monitor and manage our water consumption levels. In line with the national initiatives and strategies to use water wisely, we continue to adopt water reduction and conservation efforts to do our part as responsible stewards of the nation's water supply. We have put in place measures that optimise our water consumption. These measures include:

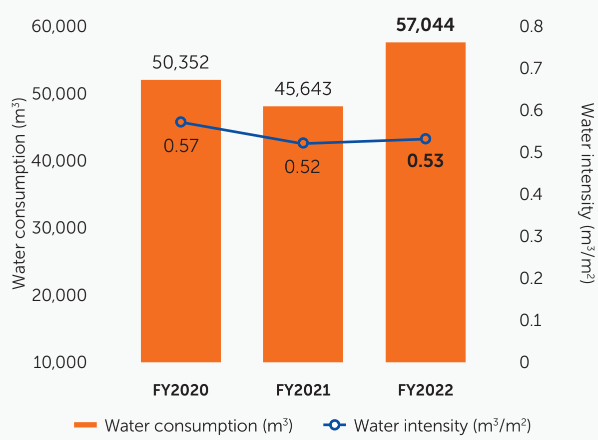
- Introducing usage discipline at all our properties and offices to promote water conservation awareness among employees via educational posters and briefings
- Private water meters will be installed to monitor rainwater harvested, water consumption, and to detect water leakages
- Automatic water-efficient drip irrigation system
- Collection of water from condensation of air-conditioners
- Certified water fittings under the Public Utilities Board's "Excellent" and "Very Good" Water Efficiency Labelling Scheme ("WELS") rating
- Pre-fitted tanks installed to harvest rainwater which is used for the auto-irrigation system
- NEWater used as makeup water for the cooling tower
- Sensors have been installed to stop the irrigation system during periods of rainfall

Ropemaker Place has provided for storage and plumbing systems for the purpose of dealing with stormwater run-off and conserving water. A 90m^3 rainwater harvesting tank was installed to allow attenuation of 80% of the run-off from hard roof areas and 30% of run-off from the green areas, the green roof could attenuate up to 70% of the rainwater that falls on it. Wastewater from cooling towers and harvested rainwater are also used to flush WCs.

Water at Ho Bee is sourced from local public water authorities. In FY2022, the total water consumed[6] increased by 25% to a total of 57,044m^3 in FY2022 due to the acquisition of The Scalpel and increased water consumption at The Metropolis as more workers returned to their offices. Water intensity[7] increased slightly from 0.52 m^3/m^2 in FY2021 to 0.53 m^3/m^2 in FY2022.

Looking forward, we will continue to closely manage our water consumption, further explore water efficiency solutions, and strengthen water conservation awareness among our employees and tenants.

WATER CONSUMPTION AND INTENSITY



Waste

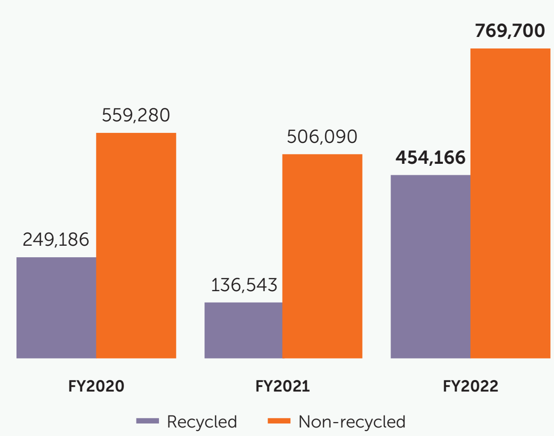
[GRI 306-1, 306-2, 306-3, 306-4, 306-5]

As construction activities account for an estimated one third of the world's waste generation, we have assessed and determined waste to be a material topic in FY2022. We have taken the first step in FY2022 to disclose waste generated across our four key investment properties.

The four properties in consideration are established commercial buildings, hence the main source of waste is from the daily operations of our tenants. Total waste generated in FY2022 increased by 90% as compared to FY2021, partially due to the acquisition of The Scalpel in March 2022 and the return of people to offices. Similarly, the total waste sent to vendors for recycling increased by about 3.3 times, from 136,543 kg in FY2021 to 454,166 kg in FY2022. This is mainly attributed to the higher amount of recycled waste at Ropemaker Place and The Scalpel.

BREAKDOWN OF RECYCLED AND NON-RECYCLED WASTE

(kg)

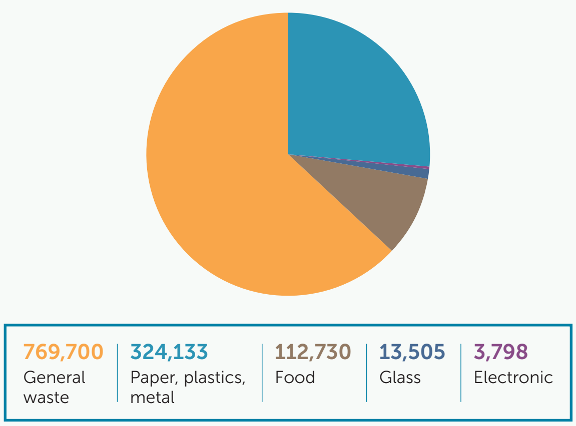


6 Due to faulty water meters at The Metropolis in FY2022, this resulted in us being unable to accurately capture the total water consumed. Based on the past water usage pattern of both portable water and NEWater, the normalised water consumption at The Metropolis in FY2022 would be approximately 72,346m^3. The faulty meters have since been replaced by the relevant authorities and we have resumed collection of data in anticipation of FY2023 disclosure.

7 Water intensity is calculated based on the GFA of common areas in the 4 properties. The total GFA of common areas in the 4 properties is 110,724m^2. As The Scalpel was only acquired in March 2022, water intensity in FY2021 is calculated based on the GFA of common areas in the other 3 properties (88,311m^2). For the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total water consumption included full-year data (January 2022 to December 2022) from The Scalpel.

While non-recyclables are directed to incineration, recyclable waste at the four properties are managed differently at each property. The following table shows a breakdown of recycled and non-recycled waste generated in FY2022. While general waste has been sent for incineration, paper, plastic, metal, electronic and glass wastes were sent to vendors for recycling, and food waste in our London properties was sent for anaerobic digestion to generate energy and high-quality compost.

BREAKDOWN OF WASTE FOR FY2022
(kg)



Our plans to strengthen waste management efforts are in place as we explore policies and practices that minimise waste production, promote proper disposal methods, and encourage recycling and upcycling practices among our stakeholders. In FY2022, to make it convenient for our tenants and employees to recycle e-waste (electrical/electronic waste), we have added an e-waste recycling bin at Basement 1 of The Metropolis. We have also added recycling bins in our offices to encourage waste reduction and promote recycling habits among our employees. Recycling bins on building levels L1 and B1 remained common practice for the collection of plastics, cans, paper, lamps or light tubes, and e-waste recycling.

Looking forward, we will identify materials for reuse or recycling, implement recycling programmes such as those for light bulbs, and explore ways to raise awareness of waste prevention. Other programmes will be adopted at our properties to minimise decomposition of waste, reduce infestation of pests and improve the overall recycling and waste segregation.

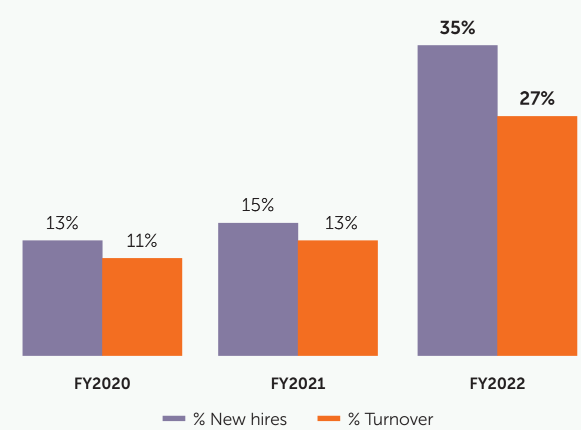
DEVELOPING OUR PEOPLE

Employment
[GRI 401-1, 401-2, 401-3]

We believe that having productive and motivated employees is a critical success factor in sustaining our Company's continued success and growth. We are constantly on the lookout for new talents that can help with the Company's growth in a new direction and drive improvements, while treating our existing employees fairly with equitable remuneration and benefits.

Our inclusive recruitment approach helps us build a diverse workforce where all employees can contribute their varied expertise to the growth of the business. Our recruitment practice abides by the Tripartite guidelines on fair employment practices, where we do not discriminate on gender, ethnicity, religion, or age. We recruit based on merits and we also attract, motivate, and retain talent through a mix of competitive compensation package and benefits, healthy engagement, and a focus on human capital development.

% NEW HIRES AND TURNOVER



As we expand our business operations, we grew our workforce by 6% in FY2022. While we recognise that the turnover rate in FY2022 was significantly higher due to the employment market conditions and workplace changes, we continue to strengthen our culture and identity by enhancing our employee experience, welfare, and benefits to attract new hires and retain talents.

We have embarked on new staff initiatives in FY2022, engaging our employees and putting more emphasis on their well-being. This includes the weekly healthy Fruits Day and providing healthy meals to staff during in-house trainings and lunch meetings. We have also resumed organising and participating outdoor activities for staff, such as cycling and a charity futsal, to encourage an active lifestyle.

Employee Welfare and Benefits

We comply with all relevant statutory requirements related to employment in Singapore. Additionally, given the rising medical costs, we ensure that our employees' medical coverage is comprehensive, covering general and specialist consultation and treatment, dental, traditional Chinese medicine treatment, hospitalisation, surgery, and personal accident. Employees are also entitled to free health screening once a year. We also stay competitive in remunerating our employees by rewarding them with annual wage supplement and variable bonuses.

Human Rights

Our commitment to safeguarding the human rights of our people begins with the strict adherence to our obligations as an employer as stipulated by the Ministry of Manpower. We also plan to solidify our practices concerning protecting human rights, by treating our existing employees fairly with equitable remuneration and benefits.

In markets with statutory minimum wages, the Company complies with statutory and regulatory requirements. This remains a factor for success within the Company as we believe that having a productive and motivated workforce is critical in sustaining our growth in new directions and driving improvements. As we advance, we will continue to stay abreast of the local and global developments in this area and review our internal processes accordingly to ensure they remain relevant.

Diversity and Equal Opportunity

[GRI 405-1]

We believe that having a diversified pool of employees from different backgrounds, regardless of race, age, religion, and cultural background, brings different benefits to our organisation.

A diversified workforce brings different talents, knowledge, and skills to our organisation. Employees get to learn from their colleagues' experiences from a different perspective, thus lending themselves to higher-level goals, and increasing innovation with better results.

An inclusive workplace that understands our employees' needs, making them feel valued and respected, has a significant and positive impact on our employee retention.

Diversity and inclusivity shall continue to be key priorities in the recruitment process as we expand the Company businesses.

GRI 405-1: Diversity of governance bodies and employees	FY2020	FY2021	FY2022
Diversity within Ho Bee's governance body (Board of Directors) – by gender			
Male	87%	78%	78%
Female	13%	22%	22%
Diversity within Ho Bee's governance body (Board of Directors) – by age group			
Under 30	0%	0%	0%
30 – 50	13%	11%	11%
Over 50	87%	89%	89%
Diversity within Ho Bee's employees – by gender			
Male	43%	42%	37%
Female	57%	58%	63%
Diversity within Ho Bee's employees – by age group			
Under 30	0%	2%	2%
30 – 50	57%	56%	67%
Over 50	43%	42%	31%
Diversity within Ho Bee's employees – by employee category			
Manager	32%	31%	41%
Non-Manager	68%	69%	59%

Training and Development

[GRI 404-1, 404-3]

Employees' learning and development are essential to the success of our business growth. Training and development programmes offer opportunities for our employees to improve their skills, productivity and enhance the company's learning culture. We believe that the more we invest in our employees' learning and development, the more productive and profitable our business should be.

We have adopted different types of employee training methods to focus on enhancing different skillsets, as well as to upskill them in preparation for what the future will require of them. We also provide selective pre-employment, onboarding, and workplace training.

We continue to invest in our people and provide ample professional and personal development opportunities. To support our goal of achieving 100% employee training participation, we tailor and customise learning experiences by departments, skill sets, and other variables. In consideration of our employees' work schedules, we also introduced more online and in-house training workshops and courses. Some of the courses attended by our employees in FY2022 include:

- 'Master GST concepts' by ISCA and 'Digital Tax' by HMRC;
- Sustainability courses such as 'Understanding Green Mark' by BCA and 'Putting Sustainability into Business' by the Singapore Environment Council;
- Other courses on topics such as Microsoft Office tools, Occupational First Aid, and digital marketing.

In FY2022, we have recorded a 75% increase in average training hours per employee compared to the previous year.

GRI 404-1: Average hours of training per year per employee	FY2020	FY2021	FY2022
Average training hours per employee	12	8	14
Percentage of total training hours – by gender			
Male	36%	42%	27%
Female	64%	58%	73%
Average Training hours per employee – by gender			
Male	10	8	10
Female	13	8	16

It is important for our employees to build equal competencies, strengthen networks and inculcate a sense of belonging. As such, we intend to provide an average of 16 training hours per employee and all Singapore employees will be able to participate in these learning and development programmes.

Career Development and Performance Review

Annually, the Company carries out professional performance review to support our employees' career development and feedback on their professional performance. This involves the Company's directors and senior management. Adequate professional trainings are conducted to level-up staff competencies and professional knowledge.

In FY2022, we have applied for skills upgrading and career conversion programmes for our employees and started in-house group trainings for relevant skills. 100% of our employees have received regular performance and career development reviews.

GRI 404-3: Percentage of employees receiving regular performance and career development reviews	FY2020	FY2021	FY2022
Total employees receiving regular performance and career development reviews	100%	100%	100%
By gender (Percentage – as compared to the total number of employees)			
Male	43%	42%	37%
Female	57%	58%	63%
By employee category (Percentage – as compared to the total number of employees)			
Manager	32%	31%	41%
Non-Manager	68%	69%	59%

Occupational Health and Safety

[GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

Monitoring work-related hazards and risks was assessed and determined to be a top priority when we conducted our FY2022 materiality assessment. This reflects stakeholders' greater concern for occupational health and safety ("OHS") measures at Ho Bee. Guided by the hierarchy of controls, we have applied the following processes:

- Applying a recognised risk management system to ensure a safe working environment for all our workers in line with our health and safety manual;
- Requiring our vendors to submit their risk assessment prior to any work commencement;
- Building Management Office ("BMO") staff are involved in general building maintenance;
- Conducting informal discussions among managers and staff to look into potential risk and mitigation measures, and ad hoc informal reviews and discussions among stakeholders;
- Encouraging our workers to report work-related hazards and risks through our WhatsApp chat groups;
- Periodic review of risk assessment processes by heads of department to evaluate the effectiveness of Ho Bee's occupational health and safety management practices.

Building on our existing efforts to observe occupational health and safety measures at Ho Bee Land, BMO staff will be provided with First Aid Training, Fire Evacuation Drill, and CERT Training to manage, monitor and report any specific work-related hazardous activities or situations. Employees are encouraged to feedback any work-related hazards directly to their Heads of Department and the necessary corrective measures will be taken accordingly.

While there is currently no formally appointed health and safety committee team, we have plans to establish a work team and implement a comprehensive OHS management system to certify Ho Bee's safety manual and procedures. In FY2022, Ho Bee Land Limited has been awarded bizSAFE 2 certificate by the Workplace Safety and Health Council of Singapore.

Further, we also started tracking work-related hazards that could potentially cause injury or ill health in FY2022. We are pleased that with these measures in place, we maintained our record of having reported zero cases of recordable work-related injuries or ill health, zero cases of high-consequence work-related injuries, zero (0) cases of fatalities resulting from a work-related injury or ill health, for all employees and workers.

We aim to continue cultivating a healthy workforce and encouraging good work processes in a safe workplace environment. Additionally, to provide a better and safer environment for all stakeholders, we will engage Safety Audit consultants to perform a risk management audit in FY2023. Thereafter, we will also adopt or formulate other relevant Health and Safety ("HSE") policies to fulfill our commitment to establish, implement, audit, and maintain a HSE management system.

ENRICHING OUR COMMUNITIES

Local Communities

[GRI 413-1]

As we continue to address the challenges and impact of COVID-19, it is critical we do not lose sight of our responsibilities towards contributing to the community. We remain committed in our efforts to create sustainable and positive social impact, and we actively seek to build an inclusive society through our community engagement and investment initiatives. We do this by supporting some of our society's most pressing needs through employee volunteerism and effective public-private partnerships.

Our community engagement strategy is closely aligned with Ho Bee Foundation's purpose and with our stakeholders' concerns and interest. The Foundation has supported a wide range of charitable causes through generous donations and various programmes and initiatives focusing on education and skills upgrading, community and social welfare, health and wellness, as well as arts and culture.

Corporate Social Responsibility

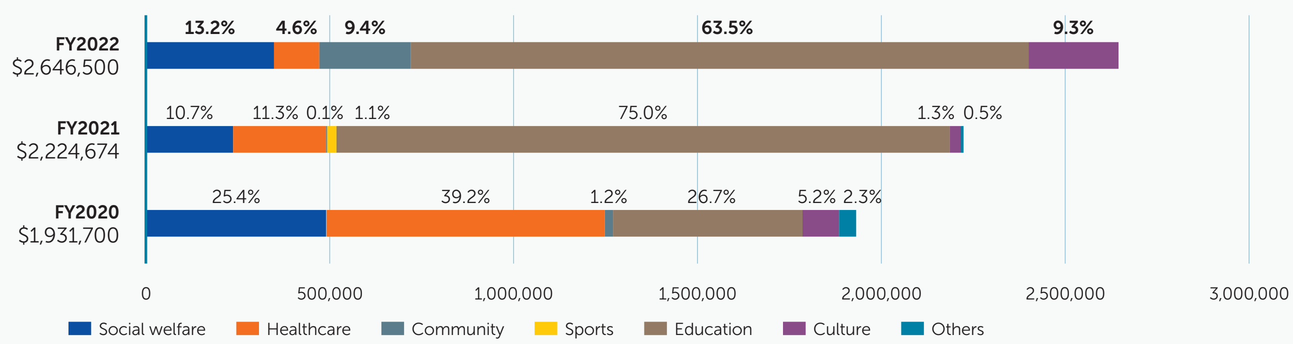
- Participated in the Ren Ci Food Fiesta 2022 and raised S$35,000 to support Ren Ci Hospital's running costs, as well as their health and rehabilitation services for the senior citizens.
- Conducted 10 sessions of Art for Kids at The Metropolis throughout the year.
- Continued our partnership with Big Heart Student Care Centre which organised the Christmas charity programme 'Toys for Kids' and collected more than 3,000 preloved toys for underprivileged kids.

TRASH-SURE CAMPAIGN 2022

Ho Bee Land is the enterprise partner of SG Green Plan's Trash-Sure campaign in 2022, using art to narrate sustainability. We sponsored in excess of S$250,000 for renowned street artist Bordalo II to create a 7-meter-tall tiger sculpture made entirely from trash/reused materials. The sculpture is displayed at the SG50 lattice of Gardens by the Bay's Bayfront Plaza from 1 August 2022, for the next three years. It serves as an installation to raise awareness about climate change.

In line with good governance, we exercised due diligence in evaluating every request for donation, sponsorship, or partnership. We assess the track record, quality of management, and organisational governance of charities and community partners.

CSR EXPENDITURE FOR FY2020 - 2022



Engaging Our People

Keeping our people actively engaged in the community is a key driver of our staff engagement and community impact strategy. We recognise our employees possess skills, networks and resources to empower vulnerable segments in the community. Employee volunteerism not only helps our communities but also contributes to the holistic development of our people in terms of empathy, perspective and character building.

We will continue to encourage employee volunteerism and empower communities through inclusive volunteering and education programmes, and to enhance our positive community impact in the areas of Arts & Culture, Healthcare, Education, and Community & Social Welfare.

STRENGTHENING CORPORATE GOVERNANCE

Business Ethics, Compliance And Good Governance

[GRI 205-1, 205-2, 205-3]

We have established prudent policies and measures to promote and uphold integrity throughout the organisation. We have a zero-tolerance approach towards corruption and fraud. Included in the Ho Bee Land Staff Handbook is our Professional Conduct and Discipline guide. All our employees are required to adhere to our corporate policies and standard operating procedures, which sets out the Company's philosophy in running its business and acts as a benchmark of ethical behaviour for all staff to follow.

All employees are also required to submit an undertaking to safeguard official information, a declaration for software use policy, a declaration for the personal data protection notice, and a conflict-of-interest disclosure statement upon commencement of their employment with Ho Bee.

In light of the heightened cybersecurity risk, we take a firm stance to safeguard vital company information and has crafted necessary policies and procedures for this purpose.

All our operations in Singapore and the United Kingdom have been assessed for risks related to corruption and we are pleased to report that we have maintained our record of zero incidents of corruption in FY2022.

We take a strong stance against corruption and malpractice in the Company. To achieve the highest standards of integrity and accountability within our internal structure, the Company developed and circulated policies and procedures for reporting improprieties, such that employees can voice out concerns about the Company's activities and operations directly to the ARC Chairman.

New employees will be briefed on the Company's Code of Conduct, Fraud Awareness and Anti-Bribery and Corruption Policy. All employees are required to declare any conflict of interest, which will be reviewed periodically. Regular communications are also sent for staff awareness, reminder and compliance.

We maintained our track record of having zero report on impropriety, zero incidents of corruption, and zero public legal cases brought against the Company in FY2022. No contracts with business partners were terminated or not renewed due to violations related to corruption. We will continue to be vigilant in ensuring our employees conduct themselves with the highest integrity.

Whistle-blowing Measures

On recommendation by the Audit and Risk Committee ("ARC"), the Board approved an updated whistleblowing policy in line with the requirements of the Singapore Code of Governance 2018 in 2020. The updated policy has been communicated to all employees of the Company and may be found on our website at www.hobee.com. All new employees will be provided with a copy of the updated policy.

The whistleblowing policy provides a transparent channel for employees and external parties to report concerns about possible fraud, improprieties in financial reporting, and other matters. We empower our employees and external parties, such as contractors and tenants, to raise concerns in good faith about misconduct, fraudulent activities, or malpractices in any matter related to the Company.

To ensure fair investigations, all reports must be submitted via email or postal mail to the Chairman of the ARC. If an allegation of corrupt conduct is received, and reports are deemed significant by the ARC Chairman after consultation with the Chairman of the Board, an investigative committee (comprising of independent members appointed by the ARC) will take reasonable steps to investigate the matter. While the Company's whistleblowing policy provides a transparent channel for employees and external parties to report concerns about potential fraud, improprieties in financial reporting, and other matters, protecting the confidentiality and identify of the Whistleblower takes precedence, subject to the prevailing laws and regulations.

Should an incident involving corrupt or fraudulent conduct by an employee be substantiated, the ARC will ensure appropriate disciplinary action is taken, including termination of employment, and report the matter to the relevant law enforcement authority as needed.

We strive to keep a clean record with no incidences of corruption, as well as an overall compliance record with all applicable laws and regulations.

Customer Privacy

[GRI 418-1]

We collect personal data of customers across the property businesses and recognise the need to take utmost care in storing and handling this information. We continue to abide by strict guidelines under the Personal Data Protection Act (PDPA) and work closely with third-party real estate agents to ensure high standards of customer data privacy through all transactions.

In FY2022, we had no complaints concerning breaches of customer privacy and losses of customer data. Given the rise in global cybersecurity threats, we believe in strengthening our capabilities to protect our shareholders' and business partners' personal information. Moving forward, we expect to maintain zero substantiated complaints concerning breaches of customer privacy and loss of customer data.

Customer Health and Safety

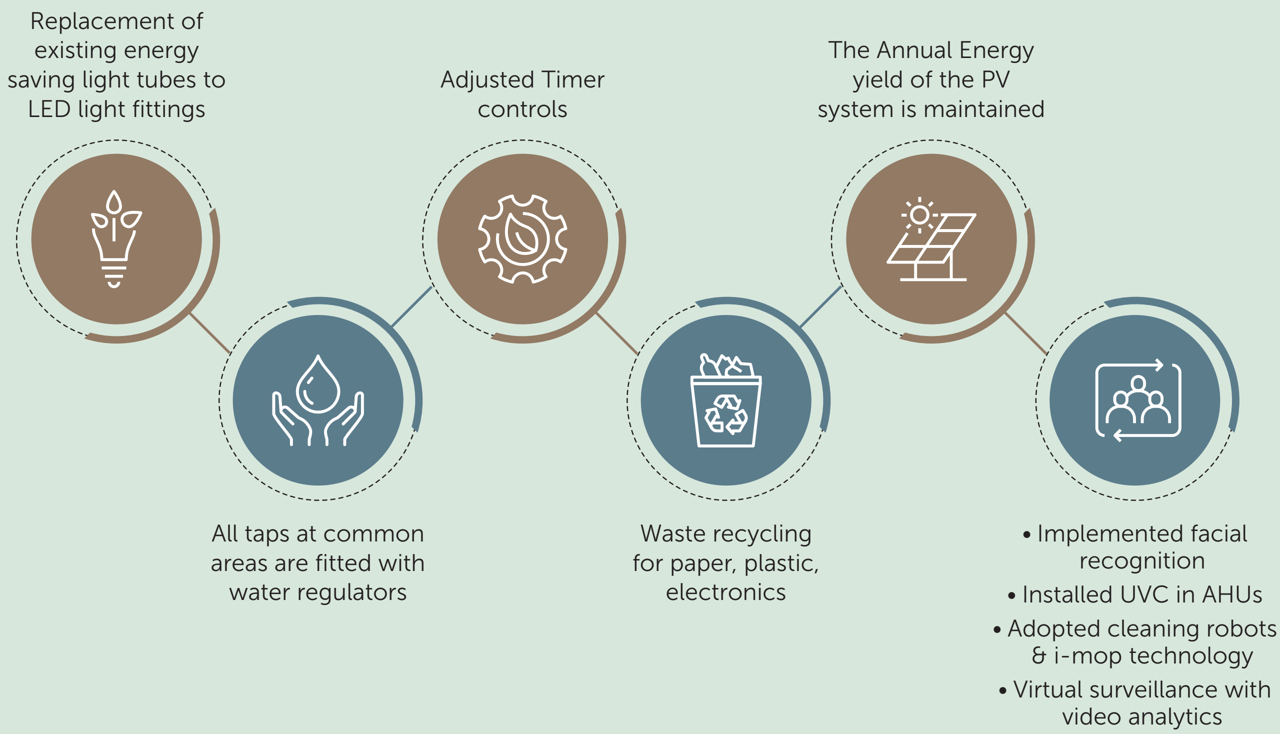
[GRI 416-1, 416-2]

We work closely with the relevant authorities during the design stage of our development projects in Singapore and London to obtain planning and building approvals and to ensure that our construction projects adhere to safety regulations.

As a property developer and property investor, it is crucial that we identify the range of systemic efforts to address health and safety during the building construction stages. Risk assessments are carried out in Singapore to ensure that buildings meet the required guidelines and have reasonable mitigating measures in place to reduce residual risk levels. To ensure ongoing adherence to environmentally friendly practices and green procurement, building maintenance is an important consideration to safeguard our employees, tenants and customers from potential health risks.

For instance, to ensure that the Metropolis maintains its standard as a BCA Green Mark Platinum Certified development, we increased our efforts on sustainability initiatives and added measures to achieve efficiency in energy, water, waste and manpower.

A summary of our efficiency measures is shown below, adding to a safe and healthy environment for our customers and tenants. All maintenance works are typically carried out after business hours to minimise disruptions for our tenants.



In the scope of this Report, all four properties (i.e. 100%) have been assessed for health and safety impacts. In FY2022, there were zero incidents[8] of non-compliance with regulations concerning the health and safety impacts of our products and services which resulted in a fine, warning, or penalty.

ENRICHING ECONOMIC VALUE

Economic Performance

[GRI 201-1, GRI 201-4]

Our main source of revenue is from the sales of development properties and rental of investment properties.

In FY2022, we achieved revenue of S$435.6 million and profit after tax of S$167.1 million. The Company's revenue improved as compared to the previous year.

For more information, refer to the financial section of our Annual Report FY2022 on Ho Bee's economic performance.

As we recover from COVID-19, we have also reduced the need of financial assistance from the government. In FY2022, we have received S$85,373 from the government as part of Singapore's wage credit scheme, job growth incentive and senior employment credit. This is an overall 67% reduction in financial assistance from the government as compared to FY2021.

We intend to strengthen our economic performance, particularly increase the economic value retained, by remaining resilient, securing our recurring income base, reasonably reducing our operating costs, and continue to seek opportunities for investments.

	Singapore		
GRI 201-4: Financial assistance received from government	**FY2020**	**FY2021**	**FY2022**
Total financial assistance received from the government (S$)	1,105,445	260,542	85,373

8 Significant incidents refer to incidents resulting in a fine of more than S$10,000 or fines lesser than that but resulting in negative reputational impact.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") REPORT

As Singapore ramps up its sustainability drive with the Singapore Green Plan 2030, we find ourselves in a critical position to address one of the most pressing environmental risks confronting businesses today – climate change.

In FY2022, we embarked on our climate journey to align to the TCFD framework by performing an assessment of our physical and transition risks across our four investment properties based in Singapore and London, which covered 80% of Ho Bee's portfolio by asset value. This climate disclosure is the result of our efforts and is our first publication aligned with the recommendations of the TCFD.

Building on the four pillars of the TCFD framework, this section of the report focuses on the climate-related risks assessment and GHG emissions measurement (scope 1 and scope 2) performed in FY2022.

1. Governance

Ho Bee's governance around climate-related risks and opportunities.

2. Strategy

The actual and potential impacts of climate-related risks and opportunities on Ho Bee's businesses, strategy, and financial planning.

3. Risk Management

The processes and systemic efforts used by Ho Bee to identify, assess, and manage climate-related risks.

4. Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Figure 5: The four thematic areas of the TCFD that represent how organisations operate: governance, strategy, risk management, and metrics and targets

1. Governance

The Board has ultimate responsibility over our sustainability progress. They maintain oversight on the identification of climate risks and opportunities, as well as the design and monitoring of climate risk management and internal control systems.

In FY2022, the Board discussed and validated our three-year TCFD alignment roadmap and the climate-related risks identified. Looking forward, the Board will discuss and review our climate risks and opportunities, progress and targets on a half-yearly basis. The Board has also approved the set-up of a sustainability committee, which will be formalised in FY2023.

The Sustainability team, made up of management team members, oversees the identification and management of climate-related risks and opportunities. The team is also in charge of keeping the Board Sustainability Committee up to date on climate-related issues and performance in a timely manner.

Over the next two years, the management team will continue to collaborate with external consultants to determine risk mitigation strategies, identify opportunities, and set goals. The team will also work to integrate climate risks into the Enterprise Risk Management process and ensure that internal auditors consider climate risks when reviewing internal controls.

2. Strategy

In FY2022, we performed our first climate risk assessment to identify and evaluate the impacts of climate change on our investment properties. As part of the study, we looked at the four investment properties across three sets of time horizons for the identified risks: short-term (now till 2025), medium-term (2025-2030) and long-term (2030-2050). The scientific climate scenario covered in the assessment was well below 2°C scenario (IEA WB2DS[9]).

3. Risk management

Identifying and assessing climate-related risks

Due to the geographical nature of the investment properties in scope, we found that physical risks would become material in the longer term, with the most impact happening around 2050 and beyond. In contrast, transition risks are more material in the shorter term. For example, we are already seeing impacts of policy and legal risks such as stricter building codes and increased costs from reporting requirements.

Table 1. Identified climate-related risks (up till 2050) for the four investment properties in Singapore and London

Risk	Categories of risks	Identified risks (up till 2050)	Likelihood of risk
Physical risks Risks arising from event-driven of **longer-term shifts in climate patterns** due to climate change	Acute	Flooding	
		Droughts	
	Chronic	Changes in precipitation patterns and extreme variability in weather patterns	
		Increase of average temperature	
		Sea level rise	
Transition risks Risks arising from regulatory and market changes to address climate change and transition to a low-carbon economy	Policy and Legal	More stringent building regulations for developing and existing buildings	
		More stringent carbon tax	
		Regulation to reduce the use of carbon-intensive construction materials	
		Increased costs resulting from reporting requirements	
	Technology	Increased expectations and costs to adopt low emissions technology	
	Market	More volatile fossil fuel prices	
		Increased costs of raw materials	
	Reputational	Increased expectations from stakeholders (e.g., tenants, lenders) for greener buildings	

Legend:

Higher likelihood of identified risk — Lower likelihood of identified risk

Likelihood of risk correlates to fluctuations in the global market

9 International Energy Agency ("IEA") well below 2°C scenario

In anticipation of potential future risks, we have implemented various risk mitigation measures, which have been outlined in the above energy (GRI 302), water (GRI 303) and waste (GRI 306) sections.

In the coming years, we will identify climate-related risks and opportunities across time horizons and provide a qualitative climate impact assessment. We will also explore scenario analyses to guide our climate strategy process.

Managing climate-related risks

We identified climate-related risks affecting the real estate sector through extensive market research and analysed and prioritised based on our portfolio. The Board and management team has discussed and validated the identified climate-related risks.

In the coming years, we will establish processes for managing climate-related risks and begin integrating climate-related risks into our overall risk management, with the assistance of an external consultant.

4. Metrics and Targets

We recognise the associated risks of emissions if we do not adapt promptly or transition to a low-carbon business, and thus, we have taken the step to measure and quantify our GHG footprint (scope 1 and scope 2). Our scope 1 and 2 emissions comprise those from the four investment properties. Table 2 summarises the FY2022 emissions data. Please refer to the above Greenhouse Gas Emissions (GRI 305) section for more details.

Moving forward, managing our GHG inventory will be a key metric for us to measure and mitigate our climate-related risks. We also recognise that our portfolio poses pivotal climate-related opportunities, particularly within the real estate sector. As such, we are looking at ways to increase our investments in the transition to a low-carbon economy.

We recognise that the alignment to TCFD is an ongoing journey, and will continue to collaborate with specialists and stakeholders to improve our climate-related disclosures in the coming years by exploring scenario analyses, develop processes for managing climate-related risks as well as look towards developing our Scope 3 GHG carbon inventory.

Table 2: Summary of FY2022 Scope 1 and 2 emissions

	FY2022	
	Emission (tCO2e)	**Emission intensity (tCO_2e/m^2)[10]**
Scope 1 (tCO_2e)	2,291	0.02
Scope 2 (tCO_2e)	3,342	0.03
Total	**5,633**	**0.05**

10 Emission intensity in FY2022 is calculated based on the gross floor area (GFA) of common areas in the 4 properties. The total GFA of common areas in the 4 properties is 110,724m². As The Scalpel was only acquired in March 2022, for the purposes of ensuring intensity figures reflected are accurate and comparable, in the calculation of intensity, total emissions included full-year data (January 2022 to December 2022) from The Scalpel.

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SUSTAINABILITY REPORT

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416-1	Assessment of the health and safety impacts of product and service categories	Page 42
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 42
GRI 418 (2016): Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 42

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Details of Four Thematic Areas	Recommended Disclosures	Page Reference
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.	Page 45
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 45
Strategy		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Page 45
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Page 45
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 45
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Page 45
	b) Describe the organisation's processes for managing climate-related risks.	Page 46
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 46
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 46
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Page 46
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 46

CORPORATE GOVERNANCE

Ho Bee Land Limited (the **"Company,"** and together with its subsidiaries, the **"Group"**) is committed to upholding high standards of corporate governance and transparency in conducting the Group's businesses to enhance long-term shareholder value and safeguard the interest of its stakeholders. The Group has well-defined corporate policies, business practices, and internal controls to safeguard its assets and shareholders' interests while pursuing sustainable growth and value-enhancement strategies. The Company's Board of Directors (the **"Board"**) ensures that an effective self-regulatory and monitoring mechanism exists and is practised.

In line with the listing rules of the SGX-ST (the **"SGX Listing Rules"**), this report outlines the main corporate governance practices that are in place, with specific reference to the principles of the Code of Corporate Governance 2018 (the **"Code"**) ("**Report**").

The Company complies with all the principles of the Code, and substantially all the provisions set out thereunder. To the extent the Company's practices differ from any provision, explanations for the variation and how its practices nonetheless are consistent with the intent of the relevant principle of the Code are provided. The Company is also guided by the voluntary Practice Guidance, which was issued to complement the Code setting out the best practices for companies.

This Report is arranged according to the principles listed in the Code. A summary of compliance with the express disclosure requirements in the Code is set out at the end of this Report.

Corporate Governance Accolades

The Company has been placed on the SGX Fast Track programme since 2019. This is a programme launched by the Singapore Exchange Regulation (the "**SGX RegCo**") in recognition of listed companies that have maintained a good corporate governance and compliance track record. Companies under this programme will receive prioritised clearance on selected corporate action submissions to SGX RegCo.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board comprising individuals of different backgrounds, experiences and disciplines.

The principal role of the Board is to provide entrepreneurial leadership, review and approve strategic plans, key operational and financial issues, evaluate performance of the Company, and supervise executive management to achieve optimal shareholders' value.

The Board undertakes all duties and responsibilities outlined below:

- sets strategic objectives, provides leadership in an enterprising and innovative manner, and ensures that the Company has sufficient resources to achieve its objectives;
- sets the direction for the establishment of adequate and effective internal control systems and risk management framework to identify, assess and manage risks to safeguard shareholders' interests and the Company's assets;
- guides, reviews and monitors Management's performance to ensure accountability;
- ensures that Management's and the Company's actions meet the needs of various stakeholders and repudiate actions that are harmful to the Company's reputation;
- ensures that good values, culture, and ethical standards permeate the organisation;
- ensures that the Company provides good quality products to meet customer needs and carries out its obligations to shareholders and other stakeholders in a fair, equitable, and reasonable manner; and
- ensures that the Company has put in place a sustainability framework and considers sustainability issues (environment, social and governance factors) when formulating strategies.

During the financial year ended 31 December 2022 ("**FY2022**"), the Board has worked closely with Management in addressing the risks to our real estate business in a very volatile and challenging global economic environment. In particular, the Board, together with the Management, had to address the impact of higher interest rates, the higher cap rates and the foreign exchange loss on our overseas operations. Pertinent and significant risk issues in connection with the aforesaid challenges faced by the Group were also reviewed by the Board.

All Directors are required to objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC's annual evaluation of the Directors.

Delegation by the Board to the Board committees

The Board has established various Board Committees to assist in fulfilling its duties and responsibilities. These committees are the Audit & Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") which are governed by specific terms of reference which clearly set out their authority and duties. These terms of reference were approved by the Board.

The Board schedules at least four meetings and one business review meeting annually. Meetings for the Board and Board Committees are scheduled one year in advance. Ad hoc meetings for the Board and Board Committees are convened as and when necessary to address any specific matters. Other than the physical meetings, decisions of the Board and Board Committees are also made by way of circular resolutions in writing as permitted by the Company's Constitution and the terms of reference of the various Board Committees.

There was a total of six Board meetings (including two business review meetings), four ARC meetings, two NC meetings and two RC meetings held in FY2022.

In addition, the Lead Independent Director can meet separately with the Independent Directors and/or other Non-Executive Directors as and when necessary to discuss sensitive and confidential matters without Management's presence. The Lead Independent Director will provide feedback to the Chairman of the Board as appropriate. Mr. Lim Swee Say served as the Lead Independent Director in FY2022.

The following table sets out the attendance of the Directors at various meetings in FY2022.

	Board	ARC	NC	RC	AGM
Number of meetings held in FY2022	**6**[1]	**4**	**2**	**2**	**1**
Chua Thian Poh	6	N.A.	2	N.A.	1
Nicholas Chua Wee-Chern	6	N.A.	N.A.	N.A.	1
Ong Chong Hua	6	N.A.	N.A.	N.A.	1
Lim Swee Say	6	4	2	N.A.	1
Ko Kheng Hwa	6	4	N.A.	2	1
Seow Choke Meng	6	N.A.	2	2	1
Josephine Choo Poh Hua	6	4	2	N.A.	1
Pauline Goh	6	4	N.A.	2	1
Bobby Chin Yoke Choong	5[2]	4	2	2	1

Notes:
1. The total number of Board meetings includes 2 business review meetings held in FY2022.
2. Mr. Bobby Chin could not attend one of the business review meetings due to medical reasons.

Directors are provided with detailed financial statements and reports for each Board meeting at least five days before each meeting. In addition, all relevant information on material transactions and events is circulated to Directors promptly and when appropriate.

At each quarterly meeting, the Non-Executive Directors are briefed by the Executive Directors and Senior Management on the Group's business, financial matters, and risks. They are also briefed on local and overseas developments in the real estate industry.

Every Board member has unrestricted access to the Senior Management, auditors, company secretary and other employees to seek additional information. The Directors can seek independent legal and professional advice, if necessary, at the Company's expense, to enable them to fulfill their duties and responsibilities.

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution, and relevant rules and regulations, including the requirements of the Companies Act 1967 (the "**Companies Act**") and SGX Listing Rules are complied with. The Company Secretary is the Company's primary channel of communication with SGX-ST. She attends all Board meetings and provides advice and guidance on corporate governance practices and processes to enhance long-term shareholder value.

The Company Secretary facilitates communication between the Management and the Board and its various Board Committees. She also arranges orientation programmes for new Directors and assists with their professional development, as required.

The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Matters requiring Board's approval

The following is a list of key matters that require Board's approval:

- annual budgets;
- half-yearly and full-year results announcements;
- annual reports and financial statements;
- letters to shareholders and circulars;
- declarations of dividends;
- major decisions and strategic plans;
- major acquisitions and disposals;
- major bank borrowings and other debt instruments; and
- conflicts of interest, interested person transactions and related party transactions.

The day-to-day running and the implementation of corporate objectives are delegated to Management. However, Board's approval is required on more significant and key issues.

Conflicts of interest

The Board has a formalised policy and procedure on conflicts of interest to guide the Directors in their dealing with any conflict of interest and fulfilling their disclosure obligations. A conflicted Director is required to recuse himself and not participate in the discussion and decision-making on any conflict-related matter.

The Board also has a formalised policy and procedure on interested person and related party transactions. It is the policy of the Board that all such transactions should be carried out at arm's length and on terms generally available to an unaffiliated third-party under the same or similar circumstances.

Each Director is aware of the requirements in respect of his/her disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. Directors must promptly declare any conflict of interest at Board meetings or by written notification to the Company Secretary. They are required to take such action as is necessary to effectively resolve the conflict (for instance recusing themselves from participating in meetings of discussions (or relevant segments thereof) and by abstaining from voting, on any matter in which they are interested or conflicted).

Principle 2: Board Composition and Guidance

With effect from 1 January 2022, the Board was reconstituted with nine members, comprising three Executive Directors, five Independent Non-Executive Directors ("**Independent Directors"**) and one Non-Independent Non-Executive Director:

Dr. Chua Thian Poh	Executive Chairman
Mr. Nicholas Chua	CEO and Executive Director
Mr. Ong Chong Hua	COO and Executive Director
Mr. Lim Swee Say	Lead Independent Director
Mr. Ko Kheng Hwa	Independent Non-Executive Director
Ms. Josephine Choo	Independent Non-Executive Director
Mr. Seow Choke Meng	Independent Non-Executive Director
Ms. Pauline Goh	Independent Non-Executive Director
Mr. Bobby Chin	Non-Independent Non-Executive Director

While most Directors have real estate experience, the Board comprises individuals with diverse skills, qualifications, and backgrounds, including accounting, audit, legal, banking, investment, government, information technology, sustainability, general management, and business experience.

Details on the profile of the Directors are set out on pages 10 to 12 of the Annual Report.

Key information on the Directors

The key information on the Directors is set out in the following tables:

CHUA THIAN POH, 74
Executive Chairman
Date of first appointment as Director: 8 August 1987
Date of last re-appointment as Director: 28 April 2021

Board committee(s) served on	Nominating Committee (Member)
Academic and professional qualification(s)	Honorary Doctor of Letters conferred by National University of Singapore
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** (1) (1) Singapore Federation of Chinese Clan Associations (Honorary President) (2) Singapore Hokkien Huay Kuan (Honorary President) (3) Singapore Chinese Chamber of Commerce & Industry (Honorary President) (4) Ren Ci Hospital (Honorary Chairman) (5) Ho Bee Foundation (Member/Chairman) (6) Council of Presidential Advisers (Member)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to the Directors' Statement of this Annual Report.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Father of Mr. Nicholas Chua who is the CEO of the Company.

(1) Besides the principal commitments listed above, Dr. Chua Thian Poh holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company.

NICHOLAS CHUA, 47
Chief Executive Officer
Date of first appointment as Director: 1 January 2022
Date of last re-appointment as Director: 21 April 2022

Board committee(s) served on	Nil
Academic and professional qualification(s)	Bachelor of Science in Finance and Marketing
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** [1] (1) Chua Foundation (Chairman) (2) One Hill Capital Pte. Ltd. (Director) (3) One Hill Holdings Pte. Ltd. (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to Directors' Statement section of this Annual Report.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Son of Dr. Chua Thian Poh who is the Executive Chairman and controlling shareholder of the Company.

[1] Besides the principal commitments listed above, Mr. Nicholas Chua holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company.

ONG CHONG HUA, 68
Chief Operating Officer
Date of first appointment as Director: 11 August 1995
Date of last re-appointment as Director: 21 April 2022

Board committee(s) served on	Nil
Academic and professional qualification(s)	Master's Degree in Town and Regional Planning
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** [(1)] (1) Kingdom Investment Holdings Pte. Ltd. (Director) (2) FNA Group International Pte. Ltd. (Director) (3) Focus Network Agencies (Singapore) Pte. Ltd. (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to Directors' Statement section of this Annual Report.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

(1) Besides the principal commitments listed above, Mr. Ong Chong Hua holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company. Kingdom Investment Holdings Pte. Ltd. is a subsidiary of Ho Bee Holdings (Pte) Ltd ("**HBH**"), a substantial shareholder of the Company. FNA Group International Pte. Ltd. and Focus Network Agencies (Singapore) Pte. Ltd. are associates of HBH.

LIM SWEE SAY, 68
Lead Independent Director
Date of first appointment as Director: 1 October 2021
Date of last re-appointment as Director: 21 April 2022

Board committee(s) served on	Audit and Risk Committee (Member), Nominating Committee (Member)
Academic and professional qualification(s)	First Class Honours degree in Electronics, Computer and Systems Engineering Master in Management
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Singapore Telecommunications Ltd (Independent Director) Tat Seng Packaging Group Ltd (Independent Director) PSC Corporation Ltd. (Independent Director) ***Other principal commitments*** (1) National Trades Union Congress (NTUC) (Trustee) (2) NTUC-Administration & Research Unit Board of Trustees (Chairman) (3) Singapore Labour Foundation (Deputy Chairman) (4) Ong Teng Cheong Institute (Governor) (5) Nanyang Technological University, Nanyang Centre of Public Administration (Adjunct Professor) (6) NTUC Enterprise Co-operative Ltd (Adviser and Director) (7) NTUC (Adviser) (8) TF IPC Ltd (Director) (9) Temasek Foundation Ltd. (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

KO KHENG HWA, 68
Independent Non-Executive Director
Date of first appointment as Director: 1 May 2016
Date of next re-appointment as Director: 26 April 2023[1]

Board committee(s) served on	Audit and Risk Committee (Chair), Remuneration Committee (Member)
Academic and professional qualification(s)	BA (Honours) in Civil Engineering Master in Management Fellow of Institution of Engineers Singapore Fellow of Singapore Computer Society
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** (1) SG Advisory Pte Ltd (Executive Director) (2) Scale Up Pte Ltd (Executive Director) (3) Lifelearn Holdings Pte Ltd (Senior Advisor) (4) AirTrunk Pte Ltd (Senior Advisor) (5) Singapore Cooperation Enterprise (Member of Panel of Experts) (6) Envision Digital Group (Senior Advisor) (7) Envision Digital International Pte Ltd (Non-Executive Chairman) (8) AIMS APAC REIT Management Limited (Independent Director), Manager of the listed AIMS APAC REIT.
Past directorships in other listed companies held over preceding 5 years	iX Biopharma Ltd
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

(1) Mr. Ko is retiring by rotation under Article 104 of the Company's Constitution and SGX Listing Rule 720(5) at the 35th Annual General Meeting and he has offered himself for re-election.

JOSEPHINE CHOO, 51
Independent Non-Executive Director
Date of first appointment as Director: 26 April 2017
Date of last re-appointment as Director: 28 April 2021

Board committee(s) served on	Nominating Committee (Chair), Audit and Risk Committee (Member)
Academic and professional qualification(s)	Bachelor of Laws (Honours) Middle Temple (Barrister-at-Law)
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** (1) Wong Partnership LLP (Partner, Specialist & Private Client Disputes Practice) (2) Dr. Oon Chiew Seng Trust Limited (Director/Chairman) (3) Jesuit Refugee Service (Singapore) Limited (Director) (4) Ho Bee Foundation (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

SEOW CHOKE MENG, 73
Independent Non-Executive Director
Date of first appointment as Director: 26 April 2017
Date of next re-appointment as director: 26 April 2023[1]

Board committee(s) served on	Remuneration Committee (Chair), Nominating Committee (Member)
Academic and professional qualification(s)	Bachelor of Science Degree (Honours)
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** (1) Cuscaden Peak Investments Pte Ltd (Business Consultant) (2) Ren Ci Hospital (Chairman) (3) Chinese Development Assistance Council Board of Trustee (Director) (4) Straco Leisure Pte Ltd (Director) (5) Ho Bee Foundation (Member/Director) (6) TTSH Community Fund (Director) (7) National Skin Centre Health Fund (Director) (8) Sin Chew Jit Poh (Singapore) Ltd (Director) (9) Invest Healthcare Pte Ltd (Director) (10) Orange Valley 3-T Rehab Pte Ltd (Director) (11) Orange Valley Nursing Homes Pte Ltd (Director) (12) Ulu Pandan Citizen's Consultative Committee (Vice-Chairman) (13) Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member) (14) Kwong Wai Shiu Hospital & Nursing Home (Honorary Director)
Past directorships in other listed companies held over preceding 5 years	Hi-P International Limited
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

[1] Mr. Seow is retiring by rotation under Article 104 of the Company's Constitution and SGX Listing Rule 720(5) at the 35th Annual General Meeting and he has offered himself for re-election.

CORPORATE GOVERNANCE

PAULINE GOH, 64
Independent Non-Executive Director
Date of first appointment as Director: 29 April 2021
Date of last re-appointment as Director: 21 April 2022

Board committee(s) served on	Audit and Risk Committee (Member), Remuneration Committee (Member)
Academic and professional qualification(s)	Fellow, Singapore Institute of Surveyors and Valuers (SISV) Fellow, The Royal Institution of Chartered Surveyors Bachelor of Science (Estate Management)
Current directorships in other listed companies and other principal commitments	***Other listed companies*** Nil ***Other principal commitments*** (1) CBRE Pte Ltd (Director and Chairman, South East Asia) (2) CBRE Realty Associates Pte Ltd (Director) (3) CBRE (Vietnam) Co Ltd (Director and Chairman) (4) CBRE Asean Holdings Ltd (Director) (5) Hathi Cre Holdings Co Ltd (Director) (6) Hicre Holdings Co Ltd (Director) (7) CBRE WTW Real Estate Sdn Bhd (Director) (8) CBRE WTW Property Services Sdn Bhd (Director) (9) CBRE WTW Valuation & Advisory Sdn Bhd (Director) (10) NUS Department of Real Estate (Department Consultative Committee Member) (11) Archdiocesan Land & Properties Singapore (Member) (12) Eldercare Trust of NTUC Health Co-Operative Ltd (Trustee) (13) Asia Philanthropic Ventures Pte Ltd (Director) (14) Singapore Institute of Directors (Director) (15) Real Estate Developers' Association Of Singapore (REDAS) (Honorary Real Estate Consultancy Advisor) (16) Singapore Prison Service – Institutional Discipline Advisory Committee (Committee Member) (17) Ngee Ann Polytechnic Council (Council Member) (18) Catholic Foundation Limited (Director and Chair) (19) NTUC Health for Life Fund Ltd. (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

BOBBY CHIN, 71
Non-Independent Non-Executive Director
Date of first appointment as Director: 29 November 2006
Date of last re-appointment as Director: 28 April 2021

Board committee(s) served on	Audit and Risk Committee (Member), Nominating Committee (Member), Remuneration Committee (Member)
Academic and professional qualification(s)	Bachelor of Accountancy ACA (Institute of Chartered Accountants in England & Wales)
Current directorships in other listed companies and other principal commitments	***Other listed companies*** AV Jennings Limited (Independent Director) Frasers Property Limited (Independent Director) ***Other principal commitments*** (1) Temasek Holdings (Private) Ltd (Independent Director) (2) Housing and Development Board (Chairman) (3) Corporate Governance Advisory Committee (Chairman) (4) NTUC Fairprice Co-operative Ltd (Senior Adviser) (5) Sunseap Group Pte Ltd (Member, Advisory Board)
Past directorships in other listed companies held over preceding 5 years	(1) Singapore Telecommunications Limited (2) Frasers Commercial Asset Management Ltd (Manager of Frasers Commercial Trust) (3) Yeo Hiap Seng Ltd (4) Frasers Logistics & Commercial Asset Management Pte. Ltd. (Manager of Frasers Logistic & Commercial Trust)
Shareholding interests in the Company	Refer to Directors' Statement section of this Annual Report.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

Proportion of Independent Directors

Provision 2.2 of the Code provides that Independent Directors should make up the majority of the Board where the Chairman of the Board is not independent. Five Independent Directors constitute more than 50% of the Board throughout FY2022. This serves to reinforce Management's accountability and to ensure that there is an appropriate balance of power within the Board. In addition, each of the Board committees comprises a majority of and are chaired by Independent Directors. The adopted Board procedures and codes of conduct are sufficient to ensure that the Board makes decisions in the best interests of the Company, which is in line with the intent of Principle 2 of the Code.

In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence through the collective weight of the current Independent Directors on the Board and Board Committees.

The NC reviews and assesses the independence of the Independent Directors annually based on the applicable SGX Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the Code. Under Provision 2.1 of the Code, an Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

The NC requires annual confirmation from each of the Independent Directors of his or her relationship with the Company, its related corporations, its substantial shareholders or the officers. When reviewing the independence of the Independent Directors, the NC also took into account the directorships, annual declarations regarding their independence, disclosure of interest in transactions in which they have a direct/indirect interest, their ability to avoid any apparent conflicts of interest especially by abstaining from deliberation on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. In accordance with SGX Listing Rule 210(5)(d), none of the Independent Directors is currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. None of the Independent Directors has immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. The NC is satisfied that no other relationship could affect their independence. The Directors undertook a review of their independence, with each Independent Director abstaining from participating in his/her own review by the Board and had concurred with the NC's determination of the independence of the Independent Directors.

The NC and the Board pay close attention to the recommendations and provisions of the Code, as well as the mandatory requirements of the SGX Listing Rules governing Directors' independence.

None of the Independent Directors has served on the Board for more than nine years for FY2022.

The five Independent Directors on the Board help to uphold good corporate governance at the Board level. They ensure that key issues and strategies are critically reviewed and constructively challenged.

<u>Determining Board's composition</u>

The Board's composition is determined in accordance with the following principles:

- the composition of the Board should meet the requirements of the Code and the SGX Listing Rules;
- the Board should comprise Directors with a broad range of expertise both nationally and internationally;
- the Board should have enough Directors to serve on various Board committees without the Directors being over-burdened to the extent that it becomes difficult for them to fully discharge their responsibilities; and
- the Board should observe the statutory requirements and the Company's Constitution with regard to the rotation and retirement of Directors.

The composition and size of the Board are reviewed annually by the NC to ensure that there is a strong independent element on the Board and that its size is appropriate to the scope and nature of the Group's operations.

<u>Board diversity</u>

The Board has adopted a Board Diversity Policy which sets out the approach which the Company takes towards diversity on its Board. The policy recognises that having a diverse Board is an important element which will better support the Company's achievement of its strategic objectives and its sustainable development. It is accordingly committed to promote diversity as a key attribute of a well-functioning and effective Board. The NC will apply the diversity guidelines adopted as and when it proposes new appointments for the Board's consideration.

The NC reviews the Board Diversity Policy from time to time as appropriate to ensure the effectiveness of the policy. Any revisions, as required, would be recommended to the Board for consideration and approval.

When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity, including but not limited to the following, in order to arrive at an optimal balanced composition of the Board:

a) gender;
b) age;
c) skill-sets;
d) industry knowledge (including real estate);
e) geographical and business experience;
f) educational and professional background; and
g) independence.

While considering the above aspects, a director appointment would ultimately also have to be based on meritocracy and the Board's needs.

In FY2022, the Board has two female members (22% female representation), Directors have ages ranging from late-40s to more than 70 years old and have served the Board for different tenures.

Half of the Board comprises Directors with relevant industry experience in the real estate sector. The Board also comprises individuals with diverse skills, qualifications and backgrounds which include accounting, audit, legal, banking, investment, government, information technology, sustainability, general management and business experience.

The Board diversity target is to maintain an overall balance in competencies. Such competencies include accounting, legal, information technology, sustainability, relevant industry knowledge and risk management experience. This diversity allows the Management to tap on the broad range of views, perspectives, and breadth of experience of the Directors. The Board is of the view that the Directors collectively provide an appropriate balance and mix of skills, knowledge, and experience as well as other aspects of diversity including gender and age. The Board evaluates all the criteria holistically and does not set a specific target or weightage to any particular criteria including for gender representation.

The Board has taken the following steps to maintain or enhance its balance and diversity:

a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the expertise which is lacking on the Board.

The Board will continue to review opportunities to refresh the Board with a view to expanding the skills, experience, and diversity of the Board as a whole.

Currently, the management team consists of 3 female members out of a total of 6 members and provide a good balance of perspectives and ideas.

Principle 3: Chairman and Chief Executive Officer ("CEO")

As part of the leadership development and succession planning of HBL, the Company appointed Mr. Nicholas Chua as Executive Director and CEO and Dr. Chua Thian Poh stepped down as CEO with effect from 1 January 2022. Dr. Chua Thian Poh remains as the Executive Chairman of the Company. The Chairman and the CEO, being separate persons, ensure an appropriate balance of power and increased accountability and enhance the Board's capacity for independent decision-making.

The CEO, Mr. Nicholas Chua, is the son of the Executive Chairman, Dr. Chua Thian Poh.

There is a clear division of the roles and responsibilities between the Executive Chairman and the CEO of the Company established in writing, such that no one individual has unfettered powers of decision-making.

The Board believes that it has a strong and independent group of Non-Executive Directors and is well-balanced for FY2022. In addition, the Company has appointed a Lead Independent Director since 26 February 2007.

As Executive Chairman, Dr. Chua provides the leadership to promote the culture of the Company and further strengthens the effectiveness and performance of the Board, particularly on charting the growth strategies of the Group.

The Executive Chairman is responsible for the effective working of the Board and his responsibilities include:

- leading the Board to ensure its effectiveness on all aspects of its role;
- creating the conditions for overall Board and individual director effectiveness;
- demonstrating ethical leadership;
- setting clear expectations concerning the Company's culture, values and behaviours;
- setting the Board meetings agenda in consultation with the Executive Directors, and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- ensuring that all Board members are furnished with complete, high-quality and timely information;
- ensuring effective communication with shareholders;
- ensuring that proper procedures are set up to comply with the Code and applicable SGX Listing Rules; and
- promoting high standards of corporate governance.

With effect from 1 January 2022, Mr. Nicholas Chua assumed the role of the CEO. The CEO is responsible for implementing the Group's overall strategies and policies set by the Board, and managing the Group's development and investment portfolios. Prior to this, Mr. Nicholas Chua was the Deputy CEO working alongside Mr. Ong Chong Hua, Executive Director and Chief Operating Officer ("**COO**") who is primarily responsible for all operational aspects of the Group's business.

<u>Role of the Lead Independent Director</u>

The Executive Chairman and the CEO of the Company are immediate family members, and the Executive Chairman is part of the Management team. The Company has therefore appointed a Lead Independent Director to provide leadership and to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Executive Chairman to serve in such capacity, as well as to provide a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

The Lead Independent Director's terms of reference include (i) dealing with matters where the Board Chairman may be perceived to have a conflict of interest; (ii) being a spokesman and providing leadership among the Directors in enhancing objectivity and independence of the Board; (iii) serving as an impartial challenge to check and balance the Board Chairman; and (iv) acting as a conduit to the Board for communicating shareholder concerns.

The Lead Independent Director also has the authority to call and lead meetings with the Non-Executive Directors when necessary and appropriate and to provide feedback to the Executive Chairman after such meetings. The Lead Independent Director and all the Non-Executive Directors met once in FY2022 without the presence of Management.

Mr. Lim Swee Say served as the Lead Independent Director for FY2022. Mr. Lim's profile can be found under the Board of Directors' section of this Annual Report.

Principle 4: Board Membership

NC	
Membership	**Key objective(s)**
Josephine Choo (NC Chairman) (Independent Director)	• Make recommendations to the Board on all board appointments and nomination of Directors for election or re-election. • Assess Board's performance and Director's independence.
Chua Thian Poh (Executive Chairman)	
Bobby Chin (Non-Independent Non-Executive Director)	
Seow Choke Meng (Independent Director)	
Lim Swee Say (Lead Independent Director)	

The NC consists of five members majority of whom including the NC Chairman are independent. The Lead Independent Director is one of the independent members of the NC.

The NC is guided by its Terms of Reference approved by the Board which sets out the following duties and responsibilities of the NC:

- making recommendations on all Board and Board Committee appointments and re-appointments;
- determining the performance criteria and evaluation process for assessing the performance of the Board, the Board committees, and individual Directors;
- reviewing the size and composition of the Board to ensure the right mix to promote Board effectiveness;
- determining Directors' independence;
- reviewing succession plans for Directors and key management personnel; and
- reviewing and recommending training and professional development programmes for Directors.

During FY2022, key activities of the NC include reviewing and making recommendations to the Board, the re-appointment/re-election of Directors in accordance with the Company's Constitution and the applicable SGX Listing Rules, assessing the performance of the Board, its Committees and individual Directors and determining the independence of Directors.

Process for selection, appointment of new Directors, and re-appointment to the Board

The NC reviews all nominations for appointments and re-appointment to the Board and to Board Committees, and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities and the need for progressive renewal of the Board.

The NC may interview shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. During the search and selection process, the NC:

(i) considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees;

(ii) evaluates the balance of skills, knowledge, and experience on the Board, and determines the role and desirable competencies for any new appointment to enhance the existing Board composition;

(iii) reviews any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments; and

(iv) assesses the candidate's independence, in the case of the appointment of an Independent Director.

When it deems necessary or appropriate, the NC may tap on its networking contacts, appoint external consultants and other professional organisations to identify and shortlist suitable candidates. The NC may meet with the potential candidate to assess his/her suitability and availability. The selection process will consider the candidate's honesty, integrity, reputation, competence, capability and financial soundness.

Eligibility of Directors for re-election is reviewed by the NC annually based on each individual Director's performance. All Directors (including the CEO) are subject to re-nomination and re-appointment at the Company's annual general meeting at least once every three years.

At the 2023 AGM, Mr. Ko Kheng Hwa and Mr. Seow Choke Meng will retire and seek re-election pursuant to Article 104 of the Company's Constitution and SGX Listing Rule 720(5). Supplementary information on the Directors seeking re-appointment/re-election for the upcoming AGM on 26 April 2023 is included on pages 187 to 188 of this Annual Report.

Induction and orientation for new Directors

As part of the Company's induction programme for new Director appointed to the Board, the newly appointed Director will be briefed by the Senior Management on the Group's current strategy, current projects and annual budget. Newly appointed Director will be issued with a director pack comprising (i) a letter of appointment which sets out the terms of appointment; (ii) a general guide on the duties and liabilities of a director of a listed company under the Companies Act and the SGX Listing Rules; and (iii) a set of the Company's corporate manual which contains all Company policies, including all the terms of references, approved by the Board.

Training for Directors

Directors are provided with the opportunity for training to ensure that they are conversant with their responsibilities and familiar with the Group's businesses, governance practices, relevant new legislation and changing commercial risks.

Directors are encouraged to attend, at the Company's expenses, relevant conferences and seminars including programmes conducted by the Singapore Institute of Directors ("**SID**").

For a first-time Director who has no prior experience as a Director of a listed company, he or she will be required to also attend certain specific modules of the Listed Entity Director ("**LED**") Programme conducted by SID to acquire relevant knowledge of what is expected of a listed company Director, this being a mandatory requirement SGX Listing Rules (the "**Mandatory Training**"). Completion of the LED Programme, which focuses on comprehensive training of company Directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act, the SGX Listing Rules and the Code. A first-time Director need not attend the Mandatory Training if the NC, in assessing the relevant experience of the Director, is satisfied that he/she possesses relevant experience comparable to that of a person who has served as a Director of an issuer listed on SGX-ST. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the Director.

No new Director was appointed to the Board during FY2022.

The Company arranges for Directors' training programme based on the recommendations of the NC. In addition, the Company arranges professional briefings when necessary to update the Directors on any new regulatory development which has an impact on the Group. The Company bears the costs of Directors' training. The Directors are also regularly briefed by the external auditors on new regulations and key changes to financial reporting standards.

The following are some of the trainings attended by various Directors during FY2022:
(i) briefing by the external auditors from KPMG LLP on key updates to regulatory requirements and reporting standards;
(ii) Environmental, Social and Governance Essentials organised by SID;
(iii) Board Risk Committee Essentials organised by SID;
(iv) Governance & Transparency Forum organised by SID;
(v) Directors Conference 2022: Digital, Decentralized, Decarbonized & Diverse World organised by SID;
(vi) ESG and the Role of Internal Audit organised by Diligent Asia Pacific;

(vii) Singapore Board of Directors' Survey 2022 organised by SID; and
(viii) Annual Governance Round Up organised by SID.

In addition to the abovementioned trainings, all the Directors had also attended Sustainability Training course mandated by the SGX-ST.

Each year, the Company organises Annual Business Review ("**ABR**") meetings for the Directors. Presentations and briefings are conducted at the ABR by the Senior Management on the Group's operations, followed by discussion sessions on matters relating to operations, strategies and targets. Suitable site visits to the Group's overseas projects are also arranged so that the Directors can have a better understanding of these projects. During FY2022, the Company organized one ABR in Australia and one ABR in Singapore. During the ABR, Management provided detailed presentations on strategies, performance and business outlook to the Board as well as the annual budget. Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

Guideline on multiple board representations

The NC is tasked with ensuring and determining that Directors who have multiple board representation and other principal commitments, have given sufficient time and attention to the affairs of the Company and to decide if a Director has been adequately carrying out, and is able to continue carrying out the duties of the Company. In doing so, the NC considers the other directorships held by the Directors and their principal commitments. The NC also considers both the results of the assessment of the effectiveness of the individual Directors and their actual conduct during Board and Board Committee meetings and ad-hoc discussions when making this determination.

Accordingly, the Board has adopted an internal guideline recommended by the NC to address the competing time commitments that may be faced by a Director holding multiple board appointments. The guideline provides that, as a general rule:
(i) the maximum limit is one other listed company board representation for each Executive Director;
(ii) three other listed company board representation for each Non-Executive Director with full time employment; and
(iii) six other listed company board representations for each Non-Executive Director without full-time employment.

The general guideline is reviewed by the NC annually.

The NC had reviewed and was satisfied that no Director had exceeded the maximum limit in FY2022. Further, the NC and the Board had reviewed and were satisfied that the Directors with multiple board representation had given sufficient time and attention to the affairs of the Company and had adequately carried out their duties as Directors of the Company.

Appointment of Alternate Directors

The Board does not encourage the appointment of alternate Director. No alternate Director was appointed during the year and no alternate Director was appointed since the Company was listed.

Principle 5: Board Performance

The Ho Bee Board Assessment Framework (the "**Framework**") was developed with the assistance of the Company's consultant, KPMG Services Pte Ltd in 2012. The Framework was established and approved for use by the Board to ascertain the effectiveness of the Board, its committees, and the individual Board members. This Framework is reviewed periodically by the NC to incorporate best practices in evaluation.

In 2017, based on the NC's recommendation, the Board streamlined its performance evaluation process by adopting a new set of Board/Committee evaluation questionnaire. The new questionnaire encompasses the evaluation of the Board's performance as well as the performance of the various Board committees.

The enhanced Board/Committee review process incorporates factors such as Board's composition and leadership; processes; information management; strategy and implementation; monitoring of company performance; management evaluation; compensation and succession; risk and crisis management; committee effectiveness; stakeholder management and engagement; and Directors' development and management. The Board/Committee evaluation questionnaire was completed by each Director.

The results of the assessment were collated by the company secretary and provided to the NC. No external facilitator has been used. The NC assessed and discussed the performance of the Board as a whole and the effectiveness of the Board Committees (ARC, NC and RC), and recommended key areas for improvement and follow-up actions to the Board.

ESG considerations had also been included for annual board assessment on sustainability governance. For FY2022, the Directors believed that the Board and its various Board committees had been effective. The Board is also aware of current and emerging ESG issues, impacts, risks, opportunities and trends and ensures compliance with mandatory ESG disclosure requirements.

The Board Chairman is assessed annually by the Independent Directors during a meeting of and by the Independent Directors. The Board Chairman is assessed on attributes such as leadership, ethics, values, knowledge, interaction and communication skills. The result of the assessment is provided to the Board Chairman by the Lead Independent Director.

Individual Directors are assessed annually using a Director Performance Evaluation Form. For FY2022, the evaluation was carried out collectively by the Board members during the NC meeting. Each Director had recused himself in his own evaluation. The performance indicators for assessing the individual Directors include Director's duties, leadership, strategy, risk management, Board contribution, knowledge, interaction, and communication skills.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration

<table>
<tr><th colspan="2">RC</th></tr>
<tr><th>Membership</th><th>Key objective(s)</th></tr>
<tr><td>Seow Choke Meng (RC Chairman)
(Independent Director)</td><td rowspan="4">• Assist the Board in ensuring that the Directors and key management personnel are fairly remunerated for their contribution to the overall performance of the Group.
• Make recommendations to the Board (in consultation with the Chairman) regarding a framework of remuneration for the Directors and key management personnel of the Company and its subsidiaries.</td></tr>
<tr><td>Bobby Chin
(Non-Independent Non-Executive Director)</td></tr>
<tr><td>Ko Kheng Hwa
(Independent Director)</td></tr>
<tr><td>Pauline Goh
(Independent Director)</td></tr>
</table>

The RC consists of four members. All the members of the RC are Non-Executive Directors. Majority of the members of the RC including the RC Chairman are independent.

The key duties and responsibilities of the RC under its Terms of Reference are as follows:

- ensuring that the level and structure of remuneration is aligned with the long-term interest and risk policies of the Company;
- reviewing Management's proposal and recommending to the Board for approval the general remuneration framework and specific remuneration packages for the Directors and key management personnel of the Group;
- reviewing all benefits and long-term incentive schemes (including share schemes) and compensation packages for the Directors and key management personnel;
- reviewing service contracts for the Directors and key management personnel; and
- ensuring that there is a fair and equitable compensation system for the Directors and key management personnel.

The RC members are familiar with executive compensation matters and may seek expert advice for these matters, if necessary.

The RC reviews the remuneration framework and practices of the Company, to ensure that they are appropriate and proportionate to the Company's sustained performance. The framework must be able to attract, retain and motivate the staff.

The Company's remuneration framework for Executive Directors and Key Management Personnel ("**KMP**") is made up of a fixed component and a variable component (which currently comprises short-term incentives in the form of variable bonuses) and, where applicable, fixed allowances and benefits-in-kind determined by the Company's employment policies which are applicable to all employees.

Aside from the abovementioned, Dr. Chua Thian Poh (Executive Chairman) and Mr. Nicholas Chua (CEO) are also entitled to profit-sharing incentives per their respective service agreements with the Company. The profit-sharing incentives are calculated based on a percentage of the Group's audited consolidated profit before tax after making adjustments for any surplus/loss on revaluation of the Group's investment properties for the relevant financial year.

In FY2021, the RC reviewed the profit-sharing formula for both the Executive Chairman and the CEO as a result of the separation of roles of the Executive Chairman and the CEO. This aligned the leadership of the Executive Chairman and the CEO, through appropriate remuneration and benefits policies with the Company's strategic objectives and key challenges. With the separation of roles from 2022, performance targets are set for the Executive Chairman as well as the CEO and their performances would be evaluated annually.

When determining the fixed and variable components for Executive Directors and KMP, individual performance is taken into consideration and remuneration recommendations are reviewed. This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators involving financial and non-financial indicators. The Company exercises its discretion and independent judgement in ensuring that the amount and mix of compensation align with the interests of shareholders and promote the company's long-term success.

The Company conducts a benchmarking survey annually using internal resources to ensure that the remuneration of Directors and KMP is in line with the industry level. The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. The Board has engaged an external remuneration consultant to advise on remuneration matters for FY2022. The external remuneration consultant has no affiliation or relationship with the Company or any of its Directors that will affect the independence and objectivity of its performance.

Executive Directors do not receive Directors' fees. Non-Executive Directors are paid Directors' fees, subject to the approval of shareholders at the annual general meeting. The remuneration of Non-Executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board and Board Committees meetings. Non-Executive Directors are paid a basic annual fee. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other comparable listed companies in the real estate sector.

The RC conducted a comprehensive review of the annual fee structure for the Non-Executive Directors for FY2022 and adjusted the Lead Independent Director's fee and attendance fee for annual business review to be conducted in Singapore and overseas. It believes that the basic annual fee and the fees payable for each Board Committee appointment are appropriate and comparable to the market. The fee structure of the Non-Executive Directors for FY2022 is as follows:

Basic annual retainer fee for Non-Executive Directors	
Board Chairman	Not applicable
Board Member	S$60,000
Additional fee for other appointments	
Lead Independent Director	S$15,000
Audit & Risk Committee Chairman	S$30,000
Audit & Risk Committee Member	S$15,000
Nominating Committee Chairman	S$10,000
Nominating Committee Member	S$5,000
Remuneration Committee Chairman	S$10,000
Remuneration Committee Member	S$5,000
Attendance Fee for Annual Business Review	
Overseas	S$3,000
Singapore	S$1,500

In setting the remuneration framework for Non-Executive Directors, the RC considers factors such as effort, time spent, and responsibilities of the Directors. The RC ensures that the remuneration of Non-Executive Directors is aligned with the industry level and that Non-Executive Directors are not overly compensated to such an extent that will compromise their independence.

For FY2022, the RC reviewed and recommended approvals of the annual wage packages for the Executive Chairman and the CEO, the Executive Director and the KMP of the Group.

No director is involved in deciding his or her own remuneration.

Principle 8: Disclosure on Remuneration

Directors' and CEO's remuneration for FY2022, including breakdown in percentage terms of components of the remuneration, is set out below:

Remuneration of Directors and CEO

	Directors' Fees[1] (S$)	Base / Fixed Salary[2] %	Variable / Bonuses[2] %	Benefits / Allowances %	Total (S$)
Executive Directors					
Chua Thian Poh Executive Chairman	–	39	59	2	2,500,525
Nicholas Chua Chief Executive Officer	–	30	69	1	2,011,322
Ong Chong Hua Chief Operating Officer	–	31	68	1	1,784,314
Non-Executive Directors					
Lim Swee Say	99,500	–	–	–	99,500
Ko Kheng Hwa	99,500	–	–	–	99,500
Seow Choke Meng	79,500	–	–	–	79,500
Josephine Choo	89,500	–	–	–	89,500
Pauline Goh	84,500	–	–	–	84,500
Bobby Chin	86,500	–	–	–	86,500

Notes:
(1) Directors' fees are subject to shareholders' approval at the annual general meeting.
(2) The fixed salary and variable bonuses are inclusive of the employer's central provident fund contributions.

There are no termination, retirement and post-employment benefits granted to the Directors and the CEO.

Remuneration of top five Key Management Personnel[(1)] (who are not Directors or the CEO) (in bands of S$250,000)

Name of key management personnel	Base / Fixed Salary (%)	Variable / Bonuses (%)	Benefits / Allowances[(2)] (%)	Total(%)
Above S$1,250,000 and up to S$1,500,000				
Michael Vinodolac	37	63	–	100
Above S$750,000 and up to S$1,000,000				
Chong Hock Chang	46	54	–	100
Above S$500,000 and up to S$750,000				
Josephine Lee	51	49	–	100
Above S$250,000 and up to S$500,000				
Katharine Kum	68	32	–	100
Loh Lee Hong	67	33	–	100

(1) The Company has only 5 KMP (who are not Directors or the CEO) in FY2022.
(2) Less than 1%.

The remuneration of the above KMP (who are not Directors or the CEO) is disclosed, on a named basis, in bands of S$250,000 with a breakdown in percentage terms of the remuneration earned through base/fixed salary, variable or performance-related income/bonuses and benefits-in-kind/allowances. There was no stock option granted, share-based incentive/award, or other long-term incentives. Taking into consideration the highly competitive business environment, the nature of the industry, and the confidentiality of the Group's remuneration policies, the Board is of the view that providing full disclosure of the remuneration of each KMP (who are not Directors or the CEO) is not in the best interest of the Group and may adversely affect talent attraction and retention. The Board is of the view that such disclosure provides adequate information on the remuneration of the above KMP (who are not Directors or the CEO).

Performance measures for the COO and KMP are based on key performance indicators set each year for the individuals towards achievement of the Company's objectives. The annual salary review is carried out in December each year. In setting remuneration packages, the Company takes into account the pay and employment conditions within the industry and in comparable companies, as well as the profitability of the Group as a whole, and individual performance.

The aggregate total remuneration paid to the above KMP (who are not Directors or the CEO) for FY2022 is S$3,273,041.

No termination, retirement and post-employment benefits were granted to the above KMP (who are not Directors or the CEO).

Remuneration of employees who are immediate family member of a Director or CEO

Apart from Dr. Chua Thian Poh and Mr. Nicholas Chua who are father and son, there was no employee who is a substantial shareholder or is an immediate family member of a director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S$100,000 in FY2022. The remuneration of Dr. Chua Thian Poh and Mr. Nicholas Chua is disclosed above. Under the SGX Listing Rules, the term "immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

Employee share option schemes or other long-term incentive schemes

The Company currently has no employee share option scheme or other long-term incentive schemes in place for Directors and KMP.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Group has put in place an Enterprise Risk Management ("**ERM**") Framework, which governs the risk management process in the Group since 2012. Through this ERM Framework, risk capabilities and competencies are continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management, and monitoring of key risks to the Group's business. The risk management process in place covers, *inter alia*, financial, operational, information technology and compliance risks faced by the Group. The ARC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and *vis-à-vis* the external and internal environment in which the Group operates in.

The Group has established risk appetite statements with tolerance limits to monitor shifts in its significant risks and to manage them within acceptable levels proactively. These risk appetite statements were reviewed and approved by the Board, and are subject to periodic review by the ARC and the Board.

The key risks identified under the ERM Framework are those relating to investments, market concentration, country, foreign exchange, regulatory compliance, health and safety, land tendering, pricing and contract management. The key risks of the Group are deliberated by Management and reported to the ARC and the Board half-yearly.

Despite the many COVID-19 challenges faced by our businesses, including difficult economic and market conditions, mandated office closures and travel restrictions, the Company continued to operate resiliently and remained focused on reviewing our business strategies, as well as formulating responses and taking pre-emptive actions against emerging risks.

Based on Management's recommendation and review by the ARC, the Group's risk appetite statement was revised in 2018 to reflect the increase of the Group's business concentration in the commercial segment with corresponding decrease in the residential and industrial segments. In addition, the country diversification ratio was updated to take into account the Group's new investments in Europe.

Complementing the ERM Framework is a Group-wide system of internal controls, including documented policies and procedures, proper segregation of duties, approval procedures and authorities, and checks-and-balances built into the business processes.

To ensure that internal controls and risk management processes are adequate and effective, the ARC is assisted by various independent professional service providers. External auditors assure the risk of material misstatements in the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group are adequate and effective.

The Group has also established a crisis management framework with the assistance of a public relations consultant, Hoffman Agency. The framework outlines the various emergency response processes relating to operational, environmental, health, development, employee, IT and corporate incidents. The ERM Framework also addresses the crisis communication procedure for the various incidents depending on the crisis level.

With the COVID-19 situation and more staff accessing the network from home, the Directors considered the IT infrastructure of the Group when the Board met for the ABR in December 2020. Through a briefing conducted by our Group IT vendor, the Directors were reassured on the level of security of our Group's IT infrastructure and systems. The Board also provided suggestions to reduce associated cybersecurity risks. In FY2021, a Vulnerability Assessment and Penetration Tests (VAPT) was conducted for the Group and the results of the tests were reported to the ARC and Board.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is 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.

Internal audit

The Company's internal audit function has been outsourced to CLA Global TS Risk Advisory Pte. Ltd. (formerly known as Nexia TS Risk Advisory Pte. Ltd.) since 1 January 2012. The internal auditor reports directly to the Chairman of the ARC on audit matters and to Management on administrative matters. The ARC reviews the internal audit reports and assesses the effectiveness of the internal auditor by examining the followings:

- the internal audit plan to ensure that the internal auditor has adequate resources to perform the audit;
- the scope of the internal audit work to ensure that majority of the identified risks are audited by cycle;
- the quality of the internal audit report to ensure the effectiveness of the internal auditor; and
- the independence of the internal auditor.

The internal auditor has unfettered access to all Company's documents, records, properties and personnel, including the ARC.

The internal auditor has confirmed that all their team members are corporate members of the Institute of Internal Auditors (**"IIA"**) and are equipped with and practising the recommended standards set by the IIA.

Pursuant to SGX Listing Rule 1207(10C), the ARC had assessed and was satisfied that the internal auditor's internal audit function was independent, effective and adequately resourced for FY2022.

Board's commentary on the adequacy and effectiveness of the Company's internal controls and risk management system

Based on the internal controls established and maintained by the Group, work performed by independent external third parties, reviews performed by and assurance from Management, the Board with the concurrence of the ARC is of the view that the Group's system of internal controls (including financial, operational, compliance and information technology controls) and risk management system, were effective and adequately resourced.

The internal controls and risk management systems established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

During the process of reviewing the financial statements of the Group for FY2022, the Board had received the following assurance from the CEO and the Finance Director:

(i) the Group's financial records had been properly maintained and the financial statements gave a true and fair view of the Group's operations and finances; and

(ii) the Group's risk management and internal control systems were adequate and effective as at 31 December 2022.

According to SGX Listing Rule 720(1), all Directors and key executive officers undertake to use their best endeavours to comply with SGX Listing Rules and to procure the Company's compliance.

Principle 10: Audit Committee

ARC	
Membership	**Key objective(s)**
Ko Kheng Hwa (ARC Chairman) (Independent Director)	• Assist the Board in fulfilling its oversight responsibilities • Review the financial reporting process, the system of internal controls and risk management, the audit process, and the Company's process for monitoring compliance with laws and regulations and Code of business conduct.
Bobby Chin (Non-Independent Non-Executive Director)	
Josephine Choo (Independent Director)	
Pauline Goh (Independent Director)	
Lim Swee Say (Lead Independent Director)	

The ARC consists of five members. All the members of the ARC are Non-Executive Directors. Majority of the members of the ARC including the ARC Chairman are independent. Mr. Bobby Chin is a Chartered Accountant. The ARC Chairman and other ARC members have accumulated accounting and financial management knowledge from their professional education and experiences.

None of the ARC members were previous partners or Directors of the existing auditing firm within the last two years, and none of the ARC members holds any financial interest in the auditing firm.

The Terms of Reference of the ARC provide that some key responsibilities of the ARC include:

- **External Audit Process**: Reviewing and reporting to the Board, its assessment of the adequacy, effectiveness, independence, scope, and results of the external audit and to approve the appointment or re-appointment of the external auditors;

- **Internal Audit**: Reviewing and reporting to the Board, its assessment of the adequacy, effectiveness, independence, scope and results of the internal audit function and to approve the appointment or re-appointment of the internal auditors;

- **Financial Reporting**: Reviewing and reporting to the Board, the Company's quarterly and annual financial statements, and any announcements relating to the Company's financial performance;

- **Internal Controls and Risk Management**: Reviewing and reporting to the Board, on the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls;

- **Interested Person Transactions**: Reviewing related party transactions and interested person transactions to ensure compliance with the regulations set out in the SGX Listing Manual; and

- **Whistle-blowing and investigations**: Reviewing the Company's procedures for detecting fraud and ensuring that these arrangements allow a proportionate and independent investigation of such matters and appropriate follow-up action.

The ARC has unrestricted access to the internal and external auditors. The ARC meets them at least once a year without the presence of Management. It has full authority and discretion to invite any director or senior officer to attend its meetings.

The Company has provided all ARC members with a copy of each of the Guidebook for Audit Committees in Singapore (Second Edition) issued jointly by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority ("**ACRA**") and the SGX-ST, and the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council. In carrying out their responsibilities, the ARC members refer to these guidelines as appropriate. In addition, the ARC members have access to professional resources to keep themselves abreast of changes to accounting standards and issues that may directly impact financial statements.

CORPORATE GOVERNANCE

During FY2022, the ARC met four times, once without the presence of Management with the internal auditors and external auditors. Key activities of the ARC include:

- reviewing and recommending for the approval of the Board, the Company's half-year and annual financial statements and announcements relating to the Company's financial performance;
- assessing the impact of the unwinding of the Covid-19 pandemic, economic uncertainties, interest rate movements and geopolitical situation which continued to impact the financial markets and business environment and ensuring cash flow to sustain the Group's operations on an ongoing basis;
- reviewing related party transactions and interested person transactions;
- reviewing the audit plan and audit report of the external auditors, their evaluation of the system of internal accounting controls and Management's responses to the recommendations;
- reviewing the scope and results of the external audits, their cost effectiveness, and the independence and objectivity of the external auditors, using ACRA's Audit Quality Indicators Disclosure Framework as a basis;
- nominating external auditors for re-appointment, and reviewing their remuneration and terms of engagement;
- reviewing the internal audit programme including the scope (and adjustments to the annual internal audit programme to prioritise and address risks and constraints arising during the pandemic) and results of the internal audit procedures, and Management's responses to the recommendations;
- reviewing the independence and resource capability of the internal auditors, and the adequacy and effectiveness of internal audits;
- approving the re-appointment, evaluation and remuneration of the internal auditors;
- reviewing the Company's level of risk tolerance, its risk strategy and risk policies;
- reviewing the Company's overall risk assessment process, risk assessment framework, parameters used in these measures and the methodology adopted; and
- reviewing risk reports on the Company and reviewing and monitoring Management's responsiveness to the findings.

For FY2022, the ARC had assessed and concurred with the Board that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management system were adequate and effective as of 31 December 2022.

Audit & Risk Committee's commentary on key audit matters

The ARC had discussed the key audit matters for FY2022 with Management and the external auditors. The ARC concurred with the basis and conclusions included in the auditors' report concerning the key audit matters for FY2022. For more information on the key audit matters, please refer to pages 88 to 90 of this Annual Report.

Fees paid to external auditors

The total fees paid to the external auditors, KPMG LLP, for the financial year ended 31 December 2021 ("**FY2021**") and FY2022 are as follows:

External auditor fees	**FY2021** **S$'000 / % of total fees**	**FY2022** **S$'000 / % of total fees**
Total Audit Fees	478/77%	595/40%
Total Non-Audit Fees	139/23%	892/60%
Total Fees Paid	**617/100%**	**1,487/100%**

The FY2022 non-audit fees included an amount of S$420,000 for the financial and tax due diligence engagement relating to the acquisition of The Scalpel in London. This non-audit service was performed by KPMG London.

KPMG Singapore was engaged to provide Sustainability Advisory Reporting Services to the Group in FY2022. The fees relating to this non-audit service was S$150,000, and the service was performed by an advisory team in KPMG Singapore.

The other non-audit fees in FY2022 related to tax compliance and tax advisory services.

The ARC reviewed the nature of non-audit services provided by the external auditors in FY2022. Based on the evaluation of external auditors for FY2022, and considering the external auditors' confirmation of independence, the ARC believed that the level of non-audit services and non-audit fees would not affect the independence and objectivity of the external auditors. For FY2022, the external auditors were assessed based on the audit quality indicators disclosure framework introduced by ACRA in October 2015.

Whistle-blowing policy

The Company has adopted a whistle-blowing policy, which has been made known to all employees of the Group to provide a channel for the Group's employees to report in good faith and in confidence their concerns about possible improprieties in financial reporting and other matters.

The policy emphasised the protection of whistle-blowers against reprisal, whether direct or indirect, carried out by Management, other employees, tenants, business partners or clients, at work or outside the workplace. If it is determined that the whistle-blower who is an employee experienced any reprisal consequential to his report, the ARC shall ensure that immediate action is taken to reinstate the employee to his former position or be fully compensated for any losses suffered.

The policy has been made publicly available on the corporate website at https://www.hobee.com/investors/corporate-governance.

The Company encourages its officers and employees of the Group to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. The Company also encourages its officers, employees, vendors/contractors, consultants, suppliers and/or any other parties with whom the Group has a relationship to provide information that evidences unsafe, unlawful, unethical, fraudulent, or wasteful practices.

All whistle-blower reports, including anonymous complaints, are brought up to the ARC (comprising only of non-executive Directors) for review and reported to the Board. Any reports that are deemed to be significant by the ARC Chairman after consultation with the Chairman of the Board will be duly investigated by an Investigation Committee. The Investigation Committee shall comprise independent members appointed by the ARC.

In FY2022, no whistle-blower report was received and no outstanding whistle-blower report under investigation as of the date of this Report.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company endeavours to treat all shareholders fairly and equitably, and recognise, protect and facilitate the exercise of shareholders' rights. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of all its corporate announcements. It is also the aim of the Board, in presenting the half-year and annual financial statements announcements, to provide shareholders with a comprehensive and balanced assessment of the Group's performance, financial position and prospects.

Shareholders are encouraged to attend the Annual General Meeting ("**AGM**") as this is the principal forum for any dialogue they may have with the Directors and Management of the Company.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint not more than two proxies to attend and vote on their behalf in shareholders' meetings (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. The Notice of AGM and Proxy Form, the Annual Report and the Company's Letter to Shareholders in relation to certain resolutions being tabled at the AGM (collectively the "**AGM Documents**") are made publicly available on SGXNet and the Company's corporate website within the prescribed timeframe before the AGM pursuant to the Covid-19 (Temporary Measures) Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"). Pursuant to the Order, and as part of the Company's sustainability effort, the Company has implemented electronic transmission of AGM Documents to shareholders.

At general meetings, the Company sets out separate resolutions on each substantially different issue unless the issues are interdependent to form one significant proposal, Shareholders are allowed to raise questions and clarify any issues that they may have relating to the resolutions.

Prior to the commencement of each AGM, the Management will deliver a presentation to update shareholders on the status of the Company's and the Group's projects and financial performance. Shareholders are allowed to air their views and ask questions regarding the Company and the Group. The Directors and key executives are in attendance to address queries and concerns about the Company. The external auditors are also present to address shareholders' queries, if necessary.

All resolutions are put to the vote by poll. A scrutineer will also be appointed to validate the votes cast at the meeting. Voting and vote tabulation procedures will be disclosed at the meeting. Poll results will be announced via SGXNet after the general meeting.

The Company maintains minutes of general meetings and publishes these minutes on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. These minutes are also uploaded onto the corporate website.

Annual General Meeting

Given the COVID-19 situation in Singapore, the AGM in 2022 was held electronically in accordance with the Order. Abiding by the rules and guidance from the ACRA, Monetary Authority of Singapore and Singapore Exchange Regulation on the conduct of general meetings, the Company electronically held its annual general meeting for FY2021 on 21 April 2022. All Directors, the company secretary and auditors attended the annual general meeting (whether in person or by electronic means).

2023 Annual General Meeting ("2023 AGM")

Pursuant to the Order, the Company will hold its 2023 AGM on 26 April 2023 wholly in a physical format in Singapore given the progressive easing of the Covid-19 safe management measures. Shareholders (themselves or through duly appointed proxies) will be able to vote and ask questions in person at the 2023 AGM. The AGM will be held at a location in Singapore with convenient access to public transportation. Shareholders are advised to stay updated on the Company's SGXNet announcement as these meeting arrangements may change on short notice with the evolving pandemic situation.

The AGM Documents will only be available to shareholders through electronic means via publication on the Company's website under the "AGM Addenda" and "Annual Reports" sections and on the SGX-ST website through the following URLs:
Company's website: https://www.hobee.com.
SGX-ST website: https://www.sgx.com/securities/company-announcements.

Printed copies of the AGM Documents will not be sent to shareholders.

Principle 12: Engagement with Shareholders

The Company has a formalised investor relations policy which sets out the Company's principles and procedures for communicating with shareholders and the investment community. A copy of the investor relations policy can be found under the "Investor Relations" section of the Company's corporate website at http://www.hobee.com.

In line with the Company's obligations for continuing disclosures, the Board's policy is for shareholders to be informed of all major developments and transactions that impact the Group.

Information is disseminated to shareholders on a transparent and timely basis. All price sensitive information and financial results announcements are publicly released via SGXNet. The Group's results, annual reports and media releases can also be found under the "Investor Relations" section of the Company's corporate website at http://www.hobee.com.

The Company notifies investors of the date of release of its financial results through an SGXNet announcement about three weeks in advance. Results announcements are made within the prescribed timeframe. Following the amendment to SGX Listing Rule 705, effective 7 February 2020, the Company has ceased Quarterly Reporting and had announced its half-year and full-year results in FY2022. Half-year results were released via SGXNet not later than 45 days after the half-year end and full-year results were announced within 60 days from the financial year end. A media release accompanied each half-year and full-year financial results announcement.

In FY2022, the Company's investor relations function was led by the Finance Director who has the strategic management responsibility to integrate finance, accounting, corporate communication, and legal compliance to enable effective communication between the Company and the investment community. The Finance Director meets with analysts to facilitate shareholders' and investors' communication. They are augmented by the Board Chairman and CEO and other Senior Management who participate and contribute actively to the Group's corporate communication and investor relations efforts.

Dividend Policy

The Company has adopted a dividend policy which aims to provide a return to shareholders at least once a year through the payment of dividends. The dividend amount depends on the Group's financial performance, capital requirements, future investment plans, general global and business economic conditions, and regulatory factors.

For FY2022, the Board has recommended a first and final dividend of 8 cents per ordinary share. Subject to shareholders' approval at the 2023 AGM on 26 April 2023, the proposed dividends will be paid on 25 May 2023.

E. MANAGING STAKEHOLDERS' RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company has identified stakeholders as those who affect, and are affected by, the Group's business and operations. The Company engages its stakeholders through various channels.

In order to review and assess the key focus areas relevant to the Company's business activities, the Company, from time to time, proactively engages with various stakeholders, including investors, tenants, employees, communities, government and regulators and business partners to gather feedback on the sustainability issues most important to them.

Please refer to the Sustainability Report, which can be found on pages 25 to 50 and which sets out information on the Company's arrangements to identify and engage with its material stakeholder groups and to manage its relationships with such groups and the key areas of focus in relation to the management of stakeholder relationships during FY2022.

OTHER CORPORATE GOVERNANCE MATTERS

The Company has adopted a Code of Business Conduct, with the key objective of providing clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of the Group and stakeholders of the Company. The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interest, dealing with government officials, maintaining records and reports, equal employment opportunities and sexual harassment.

The Code of Business Conduct governs the conduct of employees and is disseminated to all employees for compliance, and where applicable, is made available to other stakeholders of the Group such as suppliers, business associates and customers. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with relevant and applicable laws and regulations and the Company's policies.

SECURITIES TRANSACTIONS

The Company has its own internal Code of Best Practices on Securities Transactions which provides guidance to its officers about dealings by the Company and its officers in the Company's securities. It also sets out the prohibitions and provisions on insider trading of the SGX Listing Rules and the Securities and Futures Act.

With the amendment to SGX Listing Rule 705 and cessation of Quarterly Reporting, the Company amended its internal code in FY2020. Under the revised internal code, the Company and its officers are not allowed to deal in the Company's securities during the periods commencing one month before the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of the announcement of the relevant results. The Company and its officers are also not allowed to deal in the Company's securities while in possession of undisclosed material information about the Group. Officers of the Company are also discouraged from dealing in the Company's securities on short-term consideration.

The Company issues reminders to its Directors and officers on the restrictions in dealings in listed securities of the Company as set out above, in compliance with SGX Listing Rule 1207(19). The Company has complied with the best practices set out in the SGX Listing Rules.

PROFESSIONAL CONDUCT AND DISCIPLINE

The Company has in place various staff policies including those governing conduct, confidentiality, conflicts of interest, health and safety, internet usage, intellectual property and software use, personal data protection, and safeguard of official information. All employees of the Company are required to conduct and carry themselves in a professional manner while at work, and undertake to observe and comply with the policies.

INTERESTED PERSON TRANSACTIONS

The Company's interested person transactions policy sets out the procedures for reporting and approving interested person transactions ("**IPT**"). A senior executive or Finance Manager is responsible for the monitoring and oversight of the IPT procedure and framework, adopting a balance of proactive and detective approach in monitoring IPTs. IPTs are to be taken at arm's length and on normal commercial terms generally available to an unaffiliated third-party under the same or similar circumstances. The policy sets out approval thresholds for IPTs including delegation to ARC and Management for review and approval. In the event that the relevant threshold as stipulated in the Listing Rules of SGX-ST is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to a vote in general meeting for shareholder approval as the case may be. IPTs are also reviewed by the ARC and Board at each quarterly meeting, documented as minutes and recorded in the Company's interested person transactions register. The conflicted person shall recuse himself from all discussions and abstain from voting on the transaction.

In compliance with the SGX-ST Listing Manual, the details of the IPT for FY2022 are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
ARK Insurance Agency	Associate of Dr. Chua Thian Poh	S$104,044	Not applicable

The above IPT was carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders. All other IPT conducted during the financial year were less than S$100,000 for each transaction.

MATERIAL CONTRACTS

Except for the service agreements between the Executive Chairman and the CEO, and the Company, there were no material contracts of the Group involving the interests of the Executive Chairman, the CEO, and the Directors either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

Express disclosure requirements in principles and provisions of the Code

PRINCIPLES AND PROVISIONS OF THE CODE		PAGE REFERENCE IN HBL AR2022
THE BOARD'S CONDUCT OF AFFAIRS		
Provision 1.2	The induction, training and development provided to new and existing Directors.	67 to 68
Provision 1.3	Matters that require Board approval.	53
Provision 1.4	Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	66, 69 and 75
Provision 1.5	The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	52
BOARD COMPOSITION AND GUIDANCE		
Provision 2.4	The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	63 and 64
BOARD MEMBERSHIP		
Provision 4.3	Process for the selection, appointment, and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidate.	66 and 67

PRINCIPLES AND PROVISIONS OF THE CODE		PAGE REFERENCE IN HBL AR2022
Provision 4.4	Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	63
Provision 4.5	The listed company Directorships and principal commitments of each Director, and where a director holds a significant number of such Directorships and commitments, the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties are disclosed.	54 to 62
BOARD PERFORMANCE		
Provision 5.2	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors.	68 and 69
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES		
Provision 6.4	The Company discloses the engagement of any remuneration consultants and their independence.	70
DISCLOSURE ON REMUNERATION		
Provision 8.1	The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual Director and the CEO, and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.	69 to 72
Provision 8.2	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 S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.	72
Provision 8.3	The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also discloses details of employee share schemes.	69 to 72
RISK MANAGEMENT AND INTERNAL CONTROLS		
Provision 9.2	Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	74
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
Provision 11.3	Directors' attendance at general meetings of shareholders held during the financial year.	52
ENGAGEMENT WITH SHAREHOLDERS		
Provision 12.1	The steps taken to solicit and understand the views of shareholders.	79
ENGAGEMENT WITH STAKEHOLDERS		
Provision 13.2	The strategy and key focus areas in relation to the Management of stakeholder relationships during the reporting period.	79 to 80

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages 94 to 176 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 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 of the Company in office at the date of this statement are as follows:

Chua Thian Poh
Nicholas Chua Wee-Chern
Ong Chong Hua
Lim Swee Say
Ko Kheng Hwa
Seow Choke Meng
Josephine Choo Poh Hua
Pauline Goh
Bobby Chin Yoke Choong

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

Name of director and corporation in which interests are held	Holdings in which the director has a direct interest At beginning of the year	At end of the year	Holdings in which the director is deemed to have an interest At beginning of the year	At end of the year
Chua Thian Poh				
The Company – ordinary shares	–	–	501,538,750	501,819,150
Immediate and ultimate holding company				
Ho Bee Holdings (Pte) Ltd – ordinary shares	18,150,000	18,150,000	3,850,000	3,850,000
Nicholas Chua Wee-Chern				
The Company – ordinary shares	3,072,000	3,072,000	–	–
Ong Chong Hua				
The Company – ordinary shares	1,940,000	1,940,000	–	–
Bobby Chin Yoke Choong				
The Company – ordinary shares	131,000	131,000	–	–

By virtue of Section 7 of the Act, Dr. Chua Thian Poh is deemed to have an interest in all the subsidiaries of Ho Bee Land Limited and Ho Bee Holdings (Pte) Ltd at the beginning and at the end of the financial year.

Except as disclosed in this statement, no other director who held office at the end of the financial year had interests in shares or debentures of the Company or of related corporations either at the beginning or at the end of the financial year.

There were no changes in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 January 2023.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' CONTRACTUAL BENEFITS

During the financial year, the Company and its related corporations have in the normal course of business entered into transactions with affiliated parties and parties in which Dr. Chua Thian Poh is deemed to have an interest. Such transactions comprised payments for rental expenses, printing expenses and other transactions carried out on normal commercial terms and in the normal course of the business of the Company and its related corporations. However, the director has neither received nor will he be entitled to receive any benefit arising out of these transactions other than those to which he may be entitled as a customer, supplier or member of these corporations.

Except for salaries, bonuses and fees and those benefits that are disclosed in this statement and in Note 30 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or its related corporations with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The Company's Share Option Scheme approved at the extraordinary general meeting held on 30 May 2001 had expired on 29 May 2011. There has been no new share option scheme or share scheme since the expiry of the 2001 Scheme.

AUDIT & RISK COMMITTEE

The members of the Audit & Risk Committee at the date of this statement are as follows:

Ko Kheng Hwa	(Chairman, Independent Director)
Lim Swee Say	(Lead Independent Director)
Josephine Choo Poh Hua	(Independent Director)
Pauline Goh	(Independent Director)
Bobby Chin Yoke Choong	(Non-Independent Non-Executive Director)

The Audit & Risk Committee performs the functions specified in Section 201B(5) of the Companies Act 1967, the SGX-ST Listing Manual and the Singapore Code of Corporate Governance. These functions include a review of the financial statements of the Company and of the Group for the financial year and the auditors' report thereon.

The Audit & Risk Committee also assists the Board with risk governance and overseeing the Company's risk management framework and policies.

The Audit & Risk Committee has undertaken a review of the nature and extent of non-audit services provided by the firm acting as the auditors. In the opinion of the Audit & Risk Committee, these services would not affect the independence of the auditors.

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

In appointing the auditors of the Company and its subsidiaries, the Group has complied with Rule 712, Rule 715 and Rule 716 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

AUDITORS

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

On behalf of the Board of Directors

Chua Thian Poh
Director

Nicholas Chua
Director

15 March 2023

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ho Bee Land Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 94 to 176.

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

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditor's responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Key audit matters (cont'd)

VALUATION OF INVESTMENT PROPERTIES (S$5,756 MILLION)
(Refer to Notes 5 & 36 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The Group owns a portfolio of investment properties in Singapore and the United Kingdom. Investment properties represent the single largest asset category on the Group's consolidated statement of financial position. These properties are stated at fair values based on independent external valuations. The valuation of investment properties requires significant judgement to be made in the determination of the appropriate valuation methodologies and the underlying assumptions to be applied. Changes to these valuation methodologies and assumptions used may have a significant impact to the valuations of investment properties. In view of the global inflationary pressures, challenging macro-economic, geopolitical and supply chain risks, the external valuers have included heightened market volatility clauses in their valuation reports. As the external valuations were based on the information available as at the date of the valuations, the external valuers have also recommended to keep the valuation of these properties under frequent review as the fair values may change significantly and unexpectedly over a short period of time.	As part of our audit procedures, we have: • Updated our understanding of the business processes and controls implemented around the valuation procedures. • Evaluated the competency and objectivity of the independent external valuers. • Held discussions with the valuers to understand their valuation methodologies, assumptions and basis used. • Assessed the appropriateness of the valuation methodologies and assumptions used by the independent external valuers, and compared the assumptions and parameters used to externally derived data. Where appropriate, we also involved our in-house valuation specialists to assist us in the assessment. • Evaluated the completeness, accuracy and relevance of disclosures in the Group's financial statements, including disclosures on sources of estimation uncertainty. *Findings:* The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. We found the valuation methodologies used are in line with generally accepted market practices and the key assumptions used to be within a reasonable range of our expectations. They are comparable to market trends and externally derived data. The changes in fair value of investment properties are appropriately recognised in the Group's financial statements.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Key audit matters (cont'd)

VALUATION OF DEVELOPMENT PROPERTIES (S$570 MILLION)
(Refer to Note 13 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The Group holds a number of development projects in Australia, and completed properties in both Singapore and the United Kingdom. In addition, the Group has interests in development projects in Singapore and China held by associates and jointly-controlled entities of which the Group's share is included in the carrying value of investments in associates and jointly-controlled entities presented in the Group's consolidated statement of financial position. The carrying value of development properties are stated at the lower of cost and estimated net realisable value ("NRV"). The determination of the estimated NRV requires significant judgement and is critically dependent upon the Group's expectations of future selling prices and costs to be incurred in selling the property. Changes to these estimates can result in material changes in the carrying value of the properties.	As part of our audit procedures, we have: • Updated our understanding of the business processes and controls implemented around the valuation procedures. • Held discussions with management to obtain an understanding of the macroeconomic and real estate price trends that have been considered in their NRV assessment. • Assessed the reasonableness of management's NRV by comparing the expected selling prices against recent transacted sales prices of the same project and/or comparable properties sold in the vicinity of the Group's development properties, as well as market research reports. • Where independent external valuation was obtained, we held discussion with the valuer to understand their valuation methodologies, assumptions and basis used. We assessed the appropriateness of the valuation methodologies and compared the assumptions and parameters used to externally derived data. We also involved our in-house valuation specialists to assist us in the assessment. • Compared the NRV against the carrying value of the development property and assessed whether any adjustment is required. • For development projects held by the Group's associates and jointly-controlled entities in China, we reviewed the working papers of the component auditors and ascertained that the above procedures have been performed. *Findings:* In making its estimates of the expected selling prices and costs to be incurred in selling the property, management considered the macroeconomic and future real estate price trends for the markets in which the properties are located. We found the estimates made by the management in the determination of NRVs to be within the range of observable price trends in the market and externally derived data.

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Other information

Management is responsible for the other information contained in the annual report. The other information comprises the following sections in the annual report (but does not include the financial statements and our auditors' report thereon):

- Chairman and CEO Statement
- Directors' Statement

which we obtained prior to the date of this auditors' report, and other sections in the annual report:

- Corporate Profile
- Performance at a Glance
- Board of Directors
- Management Team
- Projects Update
- Future Pipeline
- Corporate Structure
- Sustainability Report
- Corporate Governance
- Additional Information
- Shareholding Statistics
- Notice of Annual General Meeting
- Proxy Form
- Corporate Information

(collectively, "the Reports") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and Directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

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 control.

- 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.

- 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

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 Shelley Chan Hoi Yi.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current assets					
Property, plant and equipment	4	**53,748**	44,508	**1,909**	2,654
Investment properties	5	**5,756,115**	4,952,993	**–**	–
Subsidiaries	6	**–**	–	**1,469,072**	181,637
Associates	7	**108,180**	369,545	**7,237**	129,997
Jointly-controlled entities	8	**433,124**	395,501	**290,248**	252,688
Other assets	9	**150**	150	**–**	–
Financial assets	10	**64,474**	231,358	**60,226**	225,833
Other receivables	11	**125,559**	176,152	**1,367,226**	1,178,604
Deferred tax assets	12	**255**	142	**–**	–
		6,541,605	6,170,349	**3,195,918**	1,971,413
Current assets					
Financial assets	10	**17,385**	–	**17,385**	–
Development properties	13(i)	**570,366**	322,147	**–**	–
Deposits for land premium paid for development properties	13(ii)	**–**	56,899	**–**	–
Trade and other receivables, including derivatives	14	**144,917**	67,507	**79,613**	19,060
Cash and cash equivalents	15	**327,386**	123,415	**160,890**	56,249
		1,060,054	569,968	**257,888**	75,309
Total assets		**7,601,659**	6,740,317	**3,453,806**	2,046,722
Equity attributable to equity holders of the Company					
Share capital	16	**156,048**	156,048	**156,048**	156,048
Reserves	17	**3,759,681**	3,773,269	**2,137,201**	1,838,309
		3,915,729	3,929,317	**2,293,249**	1,994,357
Non-controlling interests		**14,263**	20,334	**–**	–
Total equity		**3,929,992**	3,949,651	**2,293,249**	1,994,357
Non-current liabilities					
Loans and borrowings	18	**2,193,979**	1,802,721	**143,033**	972
Other liabilities	19	**27,614**	29,976	**27,276**	–
Deferred income	20	**46,525**	42,683	**–**	–
Deferred tax liabilities	12	**20,168**	26,099	**–**	–
		2,288,286	1,901,479	**170,309**	972
Current liabilities					
Trade and other payables, including derivatives	21	**108,133**	91,755	**44,534**	16,632
Loans and borrowings	18	**1,230,725**	743,038	**931,487**	34,500
Deferred income	20	**1,671**	1,671	**–**	–
Current tax payable		**42,852**	52,723	**14,227**	261
		1,383,381	889,187	**990,248**	51,393
Total liabilities		**3,671,667**	2,790,666	**1,160,557**	52,365
Total equity and liabilities		**7,601,659**	6,740,317	**3,453,806**	2,046,722

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Revenue	22	**435,622**	347,693
Other income	23	**39,178**	40,197
Fair value (loss)/gain on investment properties	5	**(98,749)**	53,106
Cost of sales – residential development projects		**(126,596)**	(104,316)
Direct rental expenses		**(19,842)**	(18,351)
Loss on foreign exchange		**(18,413)**	(5,764)
Staff costs & Directors' remuneration		**(11,990)**	(21,098)
Other operating expenses		**(11,980)**	(9,625)
Profit from operating activities		**187,230**	281,842
Net finance costs	25	**(88,019)**	(39,789)
Share of profits, net of tax, of:			
– associates	7	**32,711**	44,217
– jointly-controlled entities	8	**45,987**	71,308
Profit before income tax		**177,909**	357,578
Income tax expense	26	**(10,803)**	(17,569)
Profit for the year	27	**167,106**	340,009
Profit attributable to:			
Owners of the Company		**165,880**	330,512
Non-controlling interests		**1,226**	9,497
Profit for the year		**167,106**	340,009
Earnings per share			
Basic earnings per share (cents)	28	**24.98**	49.77
Diluted earnings per share (cents)	28	**24.98**	49.77

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

	2022 $'000	2021 $'000
Profit for the year	**167,106**	340,009
Items that are or may be reclassified subsequently to profit or loss:		
Effective portion of changes in fair value of cash flow hedges	**27,143**	18,657
Foreign currency translation differences relating to foreign operations	**(62,228)**	6,213
Net (loss)/gain on hedges of net investment in foreign operations	**(38,632)**	1,628
Share of foreign currency translation differences of equity-accounted investees	**(40,096)**	15,276
Total other comprehensive income for the year, net of income tax	**(113,813)**	41,774
Total comprehensive income for the year	**53,293**	381,783
Attributable to:		
Owners of the Company	**52,814**	371,590
Non-controlling interests	**479**	10,193
Total comprehensive income for the year	**53,293**	381,783

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company								
	Share capital $'000	**Reserve for own shares $'000**	**Capital reserve $'000**	**Hedging reserve $'000**	**Foreign currency translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group									
At 1 January 2021	156,048	(67,796)	791	(33,500)	(14,725)	3,583,311	3,624,129	16,541	3,640,670
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	330,512	330,512	9,497	340,009
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedges	–	–	–	18,657	–	–	18,657	–	18,657
Foreign currency translation differences relating to foreign operations	–	–	–	–	5,517	–	5,517	696	6,213
Net gain on hedge of net investment in foreign operations	–	–	–	–	1,628	–	1,628	–	1,628
Share of foreign currency translation differences of equity-accounted investees	–	–	–	–	15,276	–	15,276	–	15,276
Total other comprehensive income	–	–	–	18,657	22,421	–	41,078	696	41,774
Total comprehensive income for the year	–	–	–	18,657	22,421	330,512	371,590	10,193	381,783
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	–	(6,400)	(6,400)
Final tax-exempt dividend paid of 8 cents and special dividend of 2 cents per share in respect of 2020	–	–	–	–	–	(66,402)	(66,402)	–	(66,402)
Total distributions to owners of the Company	–	–	–	–	–	(66,402)	(66,402)	(6,400)	(72,802)
At 31 December 2021	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company								
	Share capital $'000	Reserve for own shares $'000	Capital reserve $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group									
At 1 January 2022	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	165,880	165,880	1,226	167,106
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedges	–	–	–	27,143	–	–	27,143	–	27,143
Foreign currency translation differences relating to foreign operations	–	–	–	–	(61,481)	–	(61,481)	(747)	(62,228)
Net loss on hedges of net investment in foreign operations	–	–	–	–	(38,632)	–	(38,632)	–	(38,632)
Share of foreign currency translation differences of equity-accounted investees	–	–	–	–	(40,096)	–	(40,096)	–	(40,096)
Total other comprehensive income	–	–	–	27,143	(140,209)	–	(113,066)	(747)	(113,813)
Total comprehensive income for the year	–	–	–	27,143	(140,209)	165,880	52,814	479	53,293
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	–	(6,550)	(6,550)
Final tax-exempt dividend paid of 10 cents per share in respect of 2021	–	–	–	–	–	(66,402)	(66,402)	–	(66,402)
Total distributions to owners of the Company	–	–	–	–	–	(66,402)	(66,402)	(6,550)	(72,952)
At 31 December 2022	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit for the year		**167,106**	340,009
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	4	**997**	1,045
Gain on disposal of investment property	23	**(2,806)**	–
Loss on disposal of property, plant and equipment		**2**	64
Unrealised exchange differences		**22,356**	6,774
Interest income	25	**(3,486)**	(1,965)
(Writeback of impairment loss)/impairment loss on trade receivables		**(685)**	273
Dividend income from investment designated at FVTPL	23	**(167)**	(119)
Distribution income from financial assets designated at FVTPL	23	**(73)**	(67)
Finance costs	25	**91,505**	41,754
Fair value changes in investment properties	5	**98,749**	(53,106)
Fair value changes in financial assets designated at FVTPL	23	**(27,286)**	(37,726)
Share of profits of:			
– associates		**(32,711)**	(44,217)
– jointly-controlled entities		**(45,987)**	(71,308)
Income tax expense		**10,803**	17,569
		278,317	198,980
Changes in:			
Development properties		**(237,191)**	(58,949)
Trade and other receivables		**(3,522)**	(50,441)
Trade and other payables		**49,453**	15,329
Cash generated from operations		**87,057**	104,919
Income taxes paid		**(29,966)**	(50,756)
Net cash generated from operating activities carried forward		**57,091**	54,163

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Net cash generated from operating activities brought forward		**57,091**	54,163
Cash flows from investing activities			
Net cash outflow on acquisition of a subsidiary (Note A)		**(1,283,713)**	–
Purchase of property, plant and equipment	4	**(10,144)**	(2,318)
Proceeds from sale of property, plant and equipment		**182**	157
Interest received		**2,445**	707
Dividends from investment designated at FVTPL		**167**	119
Dividends from associate		**77,137**	–
Investment in associate		**–**	(3,101)
Investment in jointly-controlled entities		**(1,379)**	(10,355)
Distributions from associates (capital reduction)		**122,760**	110,689
Repayment from jointly-controlled entities (non-trade)		**49,589**	77,709
Additions to investment properties		**(31,318)**	(184,482)
Proceeds from sale of investment property		**16,406**	–
Purchase of financial assets designated at FVTPL		**(6,941)**	(32,550)
Redemption of financial assets designated at FVTPL		**123,935**	1,602
Distributions from financial assets designated at FVTPL		**49,900**	170
Net cash used in investing activities		**(890,974)**	(41,653)
Cash flows from financing activities			
Proceeds from bank loans		**1,640,883**	398,208
Repayment of bank loans		**(418,327)**	(291,664)
Payment of lease liability		**(216)**	(48)
Interest paid		**(88,759)**	(41,754)
Dividend paid		**(66,402)**	(66,402)
Dividend paid to non-controlling shareholder		**(6,550)**	(6,400)
Repayment to non-controlling shareholder		**(14,785)**	–
Net cash generated from/(used in) financing activities		**1,045,844**	(8,060)
Net increase in cash and cash equivalents		**211,961**	4,450
Cash and cash equivalents at 1 January		**123,415**	118,739
Effect of exchange rate fluctuations on cash held		**(7,990)**	226
Cash and cash equivalents at 31 December	15	**327,386**	123,415

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

Note A - Net cash outflow on acquisition of a subsidiary

On 7 March 2022, the Group acquired a 100% interest in 34 Leadenhall Street Limited which holds 52 Lime Street, The Scalpel, in London. The acquisition has been accounted for by the acquisition of assets method of accounting.

The identifiable net assets acquired and the net cash outflow are as follows:

	Note	2022 $'000
Investment property	5	**1,305,324**
Other assets		**653**
Other liabilities		**(21,611)**
Identifiable net assets acquired		**1,284,366**
Total purchase consideration		**1,284,366**
Less: Cash and bank balances acquired		**(653)**
Net cash outflow on acquisition of a subsidiary		**1,283,713**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2023.

1 DOMICILE AND ACTIVITIES

Ho Bee Land Limited ("the Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 9 North Buona Vista Drive, #11-01 The Metropolis Tower 1, Singapore 138588.

The financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly-controlled entities.

The Group is primarily involved in property development, property investment and investment holding. The immediate and ultimate holding company during the financial year is Ho Bee Holdings (Pte) Ltd, incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to significant 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 below.

The consolidated financial statements have been prepared on a going concern basis notwithstanding that as at 31 December 2022, the Group's total current liabilities exceeded its total current assets by $323,327,000 (2021: $319,219,000). The Group expects to refinance $904,540,000 (2021: $459,603,000) of its short-term borrowings in 2023 and is confident that the refinancing of the facilities will occur as required. Coupled with the undrawn revolving credit facility available to the Group (refer to Note 33), the estimated positive cash flows from the Group's operations and the expected capital distributions from the Group's associates in China, management assessed that the Group will be able to meet its obligations that are due within the next 12 months.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of 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 in the period in which the estimates are revised and in any future periods affected.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements or have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 2.2 — Management's use of the going concern basis for accounting
- Notes 5 and 36 — Valuation of investment properties
- Note 12 and 26 — Estimation of provisions for current and deferred taxation
- Note 13 — Measurement of realisable amounts of development properties
- Note 34 — Estimation of credit loss allowance on trade and other receivables
- Note 34 — Valuation of financial instruments

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 framework includes a finance team that reports directly to the Finance Director, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to the Audit & Risk Committee.

When measuring the fair value of an asset or liability, the Group uses market observable 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 within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are 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 are included in the following notes:

- Note 34 – valuation of financial instruments
- Note 36 – determination of fair values

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The application of these SFRS(I)s, amendments to standards and interpretations did not have a material effect on the Group's consolidated financial statements and the Company's statement of financial position.

3 SIGNIFICANT 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 the 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.

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 Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

When the excess in negative, a bargain purchase gain is recognised immediately in profit or loss.

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.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

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. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iv) Investments in associates and jointly-controlled entities (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A jointly-controlled entity is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and jointly-controlled entities are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation, in accordance with the contractual arrangement governing the joint operation.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries, associates and jointly-controlled entities in the separate financial statements

Investments in subsidiaries, associates and jointly-controlled entities are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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, except for the following differences which are recognised in other comprehensive income ("OCI") arising on the translation of:

- an investment in equity securities designated as at fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedges are effective.

(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 OCI. 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, significant influence or joint 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 Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(iii) Net investment in a foreign operation

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

(iv) Hedge of a net investment in foreign operation

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI to the extent that the hedge is effective, and are presented within equity in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 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 provision of the instrument.

A financial asset (unless it is a trade receivable without 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

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; 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.

Debt investments at FVOCI

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

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.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or 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 losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investment at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction cost. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, bank overdrafts, and trade and other payables.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(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.

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 when they 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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(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 offset the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(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, pledged deposits are excluded whilst 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) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationships between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates - when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform, and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group, first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alterative benchmark rate on which the hedged future cash flows will be based.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

The Group designates certain derivative and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains or losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(vii) 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)

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, including 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. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(viii) 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 the 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.

Liabilities arising from financial guarantees are included within 'loans and borrowings'.

3.4 Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. When 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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/ other expenses in profit or loss.

The cost of replacing part 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 part will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Paintings and sculptures are not depreciated. Depreciation on other property, plant and equipment is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

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

Freehold property	50 years
Leasehold improvements	5 to 10 years
Furniture, fittings and office equipment	5 years
Motor vehicles	5 years
Right-of-use asset – office premise	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date. Property, plant and equipment which are fully depreciated, are retained in the financial statements until they are no longer in use.

3.5 Goodwill

For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investees.

3.6 Investment properties

Investment properties comprise of completed properties and properties under development held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. At each year end, the Group's investment property portfolio is valued by an external, independent valuation company, having appropriate recognised professional qualifications. Rental income from investment properties is accounted for in the manner described in Note 3.13.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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 an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment properties (cont'd)

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

Where a property is expected to be sold within the foreseeable future, it is reclassified to current assets in the statement of financial position. The property is measured at fair value with any change recognised in profit or loss.

3.7 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.

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 losses, if any, and adjusted for certain remeasurements of the lease liability.

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its 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 the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

As a lessee (cont'd)

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 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.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

<u>Short-term leases and leases of low-value assets</u>

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 IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

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 applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.8(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts (FGC).

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower 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 Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

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 Group 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.

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 borrower or issuer;
- 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.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

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 assets' recoverable amounts are estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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 losses are recognised in profit or loss. Impairment losses 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 losses recognised in prior periods are 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.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

3.9 Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) 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.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs are amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred.

3.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

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 or profit-sharing plans 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.

3.12 Interest-free related party loans – non-quasi equity

Loans to subsidiaries and associate

Interest-free loans to subsidiaries and associate are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investments in subsidiaries and associate in the financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Intra-group balances between the Company and its subsidiaries are eliminated in full in the Group's consolidated financial statements.

3.13 Revenue recognition

Sale of development properties in Singapore and overseas

Revenue is recognised when control over the property has been transferred to the customer.

In respect of a development property where the Group has an enforceable right to payment for performance completed to date, revenue is recognised based on the percentage of completion. The percentage of completion is measured by reference to the work performed, based on the stage of completion certified by quantity surveyors. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In respect of a development property where the Group has no enforceable right to payment until the property is delivered to the customer (i.e. overseas property development projects where no progress payments are received from purchasers during construction), revenue is recognised upon handover of units to the customers.

Revenue is measured at the transaction price agreed under the contract. Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

Sale of development properties in Singapore and overseas (cont'd)

Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised on the date that the shareholder's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income

Interest income from bank deposits is recognised as it accrues, using the effective interest method.

Management fee income

The Group recognises income after the services are rendered.

3.14 Government grants

Government grants are initially recognised as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.15 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income on funds invested;
- interest expense on borrowings; and
- hedge ineffectiveness recognised in profit or loss.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Finance income and finance costs (cont'd)

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.

3.16 Tax

Tax expense comprises current 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 previous 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 income 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 that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, associates and jointly-controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.17 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS 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 period, adjusted for own shares held. Diluted EPS 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.

3.18 Segment reporting

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

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire investment properties.

3.19 New standards and amendments not adopted

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property $'000	Right-of-use asset – office premise $'000	Leasehold improvements $'000	Paintings and sculptures $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 January 2021	1,789	193	1,526	39,275	6,363	2,187	51,333
Additions	–	339	–	812	619	548	2,318
Disposals	–	–	–	–	(762)	(455)	(1,217)
Effects of movements in exchange rate	(67)	(11)	10	–	(26)	(5)	(99)
At 31 December 2021	1,722	521	1,536	40,087	6,194	2,275	52,335
Additions	–	577	47	8,590	848	657	10,719
Disposals	–	(43)	–	–	(233)	(230)	(506)
Effects of movements in exchange rate	(122)	(83)	(101)	–	(86)	(51)	(443)
At 31 December 2022	1,600	972	1,482	48,677	6,723	2,651	62,105
Accumulated depreciation							
At 1 January 2021	321	8	917	–	5,451	1,110	7,807
Depreciation charge for the year	35	100	92	–	485	333	1,045
Disposals	–	–	–	–	(682)	(314)	(996)
Effects of movements in exchange rate	(13)	(2)	3	–	(16)	(1)	(29)
At 31 December 2021	343	106	1,012	–	5,238	1,128	7,827
Depreciation charge for the year	34	208	86	–	287	382	997
Disposals	–	(32)	–	–	(120)	(159)	(311)
Effects of movements in exchange rate	(26)	(17)	(48)	–	(20)	(45)	(156)
At 31 December 2022	351	265	1,050	–	5,385	1,306	8,357
Carrying amounts							
At 1 January 2021	1,468	185	609	39,275	912	1,077	43,526
At 31 December 2021	1,379	415	524	40,087	956	1,147	44,508
At 31 December 2022	1,249	707	432	48,677	1,338	1,345	53,748

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Right-of-use asset – office premise $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Paintings $'000	Total $'000
Cost					
At 1 January 2021	5,368	3,660	694	3	9,725
Additions	–	20	490	–	510
Disposals	–	(97)	(455)	–	(552)
At 31 December 2021	5,368	3,583	729	3	9,683
Additions	–	67	536	–	603
Disposals	–	–	(230)	–	(230)
At 31 December 2022	5,368	3,650	1,035	3	10,056
Accumulated depreciation					
At 1 January 2021	2,222	3,533	476	–	6,231
Depreciation charge for the year	1,111	47	52	–	1,210
Disposals	–	(97)	(315)	–	(412)
At 31 December 2021	3,333	3,483	213	–	7,029
Depreciation charge for the year	1,110	56	111	–	1,277
Disposals	–	–	(159)	–	(159)
At 31 December 2022	4,443	3,539	165	–	8,147
Carrying amounts					
At 1 January 2021	3,146	127	218	3	3,494
At 31 December 2021	2,035	100	516	3	2,654
At 31 December 2022	925	111	870	3	1,909

The Company leases its office space from a subsidiary. The right-of-use asset arising from this lease is presented as part of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES

	Note	Group 2022 $'000	2021 $'000
Freehold properties			
At 1 January		**2,511,220**	2,448,639
Additions	(i)	**1,305,324**	–
Fair value changes		**(189,541)**	33,874
Exchange differences		**(412,287)**	28,707
At 31 December		**3,214,716**	2,511,220
Leasehold properties			
At 1 January		**2,441,773**	2,181,206
Additions/capital expenditure		**31,318**	184,482
Disposal		**(13,600)**	–
Reclassification from deposit for land premium		**–**	55,900
Fair value changes		**90,792**	19,232
Exchange differences		**(8,884)**	953
At 31 December		**2,541,399**	2,441,773
Total investment properties		**5,756,115**	4,952,993
Comprising:			
– Completed investment properties		**5,477,722**	4,705,918
– Investment properties under development		**278,393**	247,075
		5,756,115	4,952,993

(i) On 7 March 2022, the Group acquired a 100% interest in 34 Leadenhall Street Limited which holds 52 Lime Street, The Scalpel, in London.

Investment properties comprise a number of commercial properties that are leased to third party customers and those under development. Each of the leases contains an initial non-cancellable period of 1 to 15 years. Subsequent renewals are negotiated with the lessees. During the year, contingent rent of $240,448 (2021: $287,579) was charged and recognised as rental income in profit or loss.

Certain investment properties with carrying value amounting to $4,546,237,000 (2021: $4,810,895,000) have been pledged to secure banking facilities granted to the Group (see Note 18).

Investment properties are stated at fair value based on valuations carried out by independent external valuers, namely Savills Valuation & Professional Services (S) Pte Ltd, Cushman & Wakefield Debenham Tie Leung Limited and Knight Frank LLP. The valuers have recognised professional qualifications and relevant experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation techniques which involve certain estimates.

In 2022, the Group recognised a fair value loss of $98,749,000 (2021: gain of $53,106,000) on its investment properties. See Note 36 – Determination of fair values for disclosure on the valuation techniques used by the independent valuers.

6 SUBSIDIARIES

	Company	
	2022	**2021**
	$'000	**$'000**
Equity investments, at cost	**1,474,063**	186,628
Discount implicit in interest-free loans to subsidiaries	**2,161**	2,161
Impairment loss	**(7,152)**	(7,152)
	1,469,072	181,637

Impairment loss

No impairment loss was recognised on the Company's investment in subsidiaries in 2022 or 2021, taking into consideration the carrying values of the underlying assets held by the subsidiaries.

Acquisition of a subsidiary

On 7 March 2022, the Group acquired a 100% interest in 34 Leadenhall Street Limited ("34LS") which holds 52 Lime Street, The Scalpel, in London for a cash consideration of $1,284,366,000. The acquisition has been accounted for by the acquisition of assets method of accounting.

From the acquisition date to 31 December 2022, 34LS contributed revenue of $40,207,000 and loss after tax of $51,496,000 to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been $443,303,000, and consolidated profit after tax for the year would have been $169,936,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

6 SUBSIDIARIES (CONT'D)

Details of the significant subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2022 %	2021 %
HB Australia Pty Ltd	Australia	**100**	100
HB Doncaster Pty Ltd	Australia	**100**	100
HB Land Pty Ltd	Australia	**100**	100
HB VIC Pty Ltd	Australia	**100**	100
HB QLD Pty Ltd	Australia	**100**	100
Stream Field Investments Limited#	British Virgin Islands	**100**	100
Ho Bee Developments Pte Ltd	Singapore	**100**	100
Ho Bee Realty Pte Ltd	Singapore	**100**	100
Ho Bee (Eastwood Park) Pte Ltd	Singapore	**100**	100
Ho Bee (One North) Pte Ltd	Singapore	**100**	100
Ho Bee Cove Pte Ltd	Singapore	**90**	90
HB Le Grand Pte Ltd	Singapore	**100**	100
HB St Martins Pte Ltd	Singapore	**100**	100
HB Victoria Pte Ltd	Singapore	**100**	100
HB Mayfair Pte Ltd	Singapore	**100**	100
HB Croydon Pte Ltd	Singapore	**100**	100
Grandeur Property Investments Ltd#	British Virgin Islands	**100**	100
34 Leadenhall Street Limited#^	Island of Jersey	**100**	–

Not required to be audited under the laws in the country of incorporation.
^ *Acquired during the financial year.*

KPMG LLP are the auditors of all significant Singapore-incorporated subsidiaries.

KPMG Melbourne are the auditors of all significant Australia-incorporated subsidiaries.

The Group does not have non-controlling interest of which its results are material and significant to the Group.

7 ASSOCIATES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interests in associates	**108,180**	369,545	**7,237**	129,997

The Group has four associates (2021: three) which are equity-accounted for. Three (2021: two) of the associates are material to the Group, and their details are as follows:

	Shanghai Yanlord Hongqiao Property Co., Ltd (Shanghai Yanlord Hongqiao)[1]	**Zhuhai Yanlord Heyou Land Co., Ltd (Zhuhai Yanlord Heyou)**[2]	**Nanjing Yusheng Real Estate Co., Ltd (Nanjing Yusheng)**[3]
Nature of relationship with the Group	Strategic property developer providing access to residential development projects in China	Strategic property developer providing access to residential development projects in China	Strategic property developer providing access to residential development projects in China
Principal place of business/country of incorporation	China	China	China
Ownership interest/ voting rights held	40% (2021: 40%)	20% (2021: 20%)	7.8% (2021: 7.8%)

1 Audited by 上海中惠会计师事务所, a CPA firm, China.

2 Audited by 珠海德鸿会计师事务所有限公司, a CPA firm, China.

3 Audited by 江苏兴瑞会计师事务所有限公司, a CPA firm, China.

7 ASSOCIATES (CONT'D)

The following summarises the financial information of each of the Group's material associates based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Shanghai Yanlord Hongqiao $'000	Zhuhai Yanlord Heyou $'000	Nanjing Yusheng $'000	Immaterial associates $'000	Total $'000
31 December 2022					
Revenue	108	207,311	2,109,505		
Profit from continuing operations	5,903	61,752	269,308		
Total comprehensive income	5,903	61,752	269,308		
Attributable to investee's shareholders	5,903	61,752	269,308		
Non-current assets	608	240,515	17		
Current assets	219,353	294,954	427,780		
Current liabilities	(169,567)	(143,496)	(167,024)		
Net assets	50,394	391,973	260,773		
Attributable to investee's shareholders	50,394	391,973	260,773		
Group's interest in net assets of investee at beginning of the year	237,041	129,403	–	3,101	369,545
Group's share of profit/(loss) from continuing operations	2,361	12,350	21,006	(3,606)	32,111
Group's writeback of provision/(provision) for foreseeable loss during the year	–	2,200	(1,600)	–	600
Capital reduction with no change in effective shareholding	(65,014)	(57,746)	–	–	(122,760)
Dividends declared during the year	(138,814)	–	–	–	(138,814)
Foreign currency translation differences	(15,416)	(15,612)	(1,420)	(54)	(32,502)
Carrying amount of interest in investee at end of the year	20,158	70,595[1]	17,986[2,3]	(559)	108,180

[1] Includes group adjustment to record allowances for foreseeable losses on development projects of $7,800,000 (2021: $10,000,000).

[2] Includes group adjustment to record allowances for foreseeable losses on development projects of $1,600,000 (2021: nil).

[3] Excludes cost of investment of $9,661,000, which is recorded in Shanghai Yanlord Hongqiao, the intermediate entity holding Nanjing Yusheng.

7 ASSOCIATES (CONT'D)

	Shanghai Yanlord Hongqiao $'000	Zhuhai Yanlord Heyou $'000	Immaterial associates $'000	Total $'000
31 December 2021				
Revenue	23,812	611,749		
Profit from continuing operations	22,597	175,892		
Total comprehensive income	22,597	175,892		
Attributable to investee's shareholders	22,597	175,892		
Non-current assets	667	258,741		
Current assets	749,975	729,697		
Current liabilities	(158,040)	(291,427)		
Net assets	592,602	697,011		
Attributable to investee's shareholders	592,602	697,011		
Group's interest in net assets of investee at beginning of the year	298,518	115,532	–	414,050
Group's share of profit from continuing operations	9,039	35,178	–	44,217
Group's capital contribution during the year	–	–	3,101	3,101
Capital reduction with no change in effective shareholding	(81,268)	(25,105)	–	(106,373)
Foreign currency translation differences	10,752	3,798	–	14,550
Carrying amount of interest in investee at end of the year	237,041	129,403[1]	3,101	369,545

[1] Includes group adjustment to record allowances for foreseeable losses on development projects of $10,000,000 (2020: $10,000,000).

8 JOINTLY-CONTROLLED ENTITIES

The Group has three (2021: three) jointly-controlled entities that are material and five (2021: five) jointly-controlled entities that are individually immaterial to the Group.

These jointly-controlled entities are structured as separate vehicles and the Group has a residual interest in their net assets.

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interests in jointly-controlled entities	**433,124**	395,501	**378,185**	378,185
Impairment loss	**–**	–	**(87,937)**	(125,497)
	433,124	395,501	**290,248**	252,688

Company

The cumulative impairment loss as at 31 December 2022 is $87,937,000 (2021: $125,497,000).

During the year, a writeback of impairment loss of $37,560,000 (2021: $21,422,000) was made against the Company's investment in its jointly-controlled entity, Pinnacle (Sentosa) Pte Ltd. The Group obtained an external valuation of its development project as at 31 December 2022 which indicated an increase in the estimated selling price of the property. Coupled with management's expectations of the estimated selling expenses, a net writeback of impairment loss was made in the year.

NOTES TO THE FINANCIAL STATEMENTS

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

Company (cont'd)

Movements in impairment loss on the Company's jointly-controlled entities are as follows:

	Company	
	2022	**2021**
	$'000	**$'000**
At 1 January	**125,497**	146,919
Writeback of impairment loss for the year	**(37,560)**	(21,422)
At 31 December	**87,937**	125,497

The following are the material jointly-controlled entities:

	Seaview (Sentosa) Pte Ltd (Seaview)[1]	**Pinnacle (Sentosa) Pte Ltd (Pinnacle)**[1]	**Yanlord Ho Bee Investments Pte Ltd (Yanlord Ho Bee)**[2]
Nature of relationship with the Group	Strategic partner providing high end residential properties in Sentosa	Strategic partner providing high end residential properties in Sentosa	Strategic partner providing high end residential properties in China
Principal place of business/ country of incorporation	Singapore	Singapore	Singapore
Ownership interest/ voting rights held	50% (2021: 50%)	35% (2021: 35%)	50% (2021: 50%)

[1] Audited by KPMG LLP, Singapore
[2] Audited by Deloitte & Touche LLP, Singapore

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

The following summarises the financial information of each of the Group's material joint ventures based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Seaview $'000	Pinnacle $'000	Yanlord Ho Bee $'000	Immaterial jointly-controlled entities $'000	Total $'000
31 December 2022					
Revenue	65,837	233,143	2,631		
Profit from continuing operations	11,687	40,547	3,125		
Total comprehensive income	11,687	40,547	3,125		
Attributable to investee's shareholders	11,687	40,547	3,125		
Non-current assets	–	1,547	776		
Current assets	368,544	1,180,749	153,896		
Non-current liabilities	–	–	(13)		
Current liabilities	(241,944)	(354,445)	(45,307)		
Net assets	126,600	827,851	109,352		
Attributable to investee's shareholders	126,600	827,851	109,352		
Group's interest in net assets of investee at beginning of the year	58,054	245,923	57,568[1]	33,956	395,501
Group's share of profit/(loss) from continuing operations	5,953[2]	15,005[2]	1,563	(534)	21,987
Group's adjustment: Writeback of allowance for foreseeable losses on development projects	–	23,494	506	–	24,000
Adjusted Group's share of profit/(loss)	5,953	38,499	2,069	(534)	45,987
Intra-group eliminations[3]	(1,624)	(126)	–	(398)	(2,148)
Group's capital contribution during the year	–	–	–	1,379	1,379
Foreign currency translation differences	–	–	(5,184)	(2,411)	(7,595)
Carrying amount of interest in investee at end of the year	62,383[4]	284,296[4]	54,453	31,992	433,124

[1] Excludes the non-trade amount owing from Yanlord Ho Bee, which represents the Group's long-term interest in the jointly-controlled entity (see Note 11(ii)).

[2] Includes reversal of elimination of capitalised shareholder loan interest upon sale of units.

[3] Includes elimination of intercompany loan interest and management fee for the year.

[4] Includes elimination of shareholder loan interest capitalised as part of development properties of $916,000 for Seaview and $5,452,000 for Pinnacle.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

	Seaview $'000	Pinnacle $'000	Yanlord Ho Bee $'000	Immaterial jointly-controlled entities $'000	Total $'000
31 December 2021					
Revenue	65,332	31,177	352,997		
Profit from continuing operations	12,961	12,414	98,594		
Total comprehensive income	12,961	12,414	98,594		
Attributable to investee's shareholders	12,961	12,414	98,594		
Non-current assets	–	1,548	915		
Current assets	412,124	1,204,396	252,095		
Non-current liabilities	–	(382,200)	(72,882)		
Current liabilities	(293,963)	(152,357)	(53,584)		
Net assets	118,161	671,387	126,544		
Attributable to investee's shareholders	118,161	671,387	126,544		
Group's interest in net assets of investee at beginning of the year	53,056	224,501	12,066[1]	25,388	315,011
Group's share of profit/(loss) from continuing operations	6,481	4,345	49,297	(312)	59,811
Group's adjustment: Writeback of allowance/(allowance) for foreseeable losses on development projects	–	17,203	(5,706)	–	11,497
Adjusted Group's share of profit/(loss)	6,481	21,548	43,591	(312)	71,308
Intra-group eliminations[2]	(1,483)	(126)	–	(290)	(1,899)
Group's capital contribution during the year	–	–	–	10,355	10,355
Foreign currency translation differences	–	–	1,911	(1,185)	726
Carrying amount of interest in investee at end of the year	58,054[3]	245,923[3]	57,568	33,956	395,501

1 Excludes the non-trade amount owing from Yanlord Ho Bee, which represents the Group's long-term interest in the jointly-controlled entity (see Note 11(ii)).

2 Includes elimination of intercompany loan interest and management fee for the year.

3 Includes elimination of shareholder loan interest capitalised as part of development properties of $1,026,000 for Seaview and $6,266,000 for Pinnacle.

9 OTHER ASSETS

	Group 2022 $'000	Group 2021 $'000
At cost		
Club membership	**150**	150

10 FINANCIAL ASSETS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current					
Investments designated at FVTPL:					
– Quoted equity securities		**4,089**	5,221	**–**	–
– Private equity funds		**81**	226	**–**	–
– European property fund		**33,961**	42,314	**33,961**	42,314
Investments mandatorily at FVTPL:					
– Debt instruments – subscription of notes	(i)	**26,265**	183,519	**26,265**	183,519
Investments designated at FVOCI:					
– Unquoted equity securities		**78**	78	**–**	–
		64,474	231,358	**60,226**	225,833
Current					
Investments mandatorily at FVTPL:					
– Debt instruments – subscription of notes	(i)	**17,385**	–	**17,385**	–
		81,859	231,358	**77,611**	225,833

(i) Included in debt instruments is the Company's subscription of notes via a private placement in Europe. Proceeds from the private placement were used for investing in commercial properties. Distribution and redemption of the notes, including interest at 8% per annum, is dependent on the underlying properties' performance. As the contractual cash flows from the notes are not solely payments of principal and interest, the debt instruments are mandatorily measured at FVTPL.

Refer to Note 34 – estimation of fair values for financial assets and valuation processes applied by the Group for these investments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

11 OTHER RECEIVABLES

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Other receivables		**734**	58	**–**	–
Prepayments		**386**	686	**–**	–
		1,120	744	**–**	–
Amounts due from subsidiaries (non-trade)					
– interest bearing	(i)	**–**	–	**743,943**	577,628
– non-interest bearing	(ii)	**–**	–	**499,319**	458,299
		–	–	**1,243,262**	1,035,927
Amounts due from jointly-controlled entities (non-trade)					
– interest bearing	(i)	**117,506**	142,678	**117,506**	142,677
– non-interest bearing	(ii)	**6,933**	32,730	**6,458**	–
		124,439	175,408	**123,964**	142,677
		125,559	176,152	**1,367,226**	1,178,604

(i) Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 5.00% (2021: 1.25% to 4.00%) and 2.00% to 3.60% (2021: 1.50% to 2.00%) per annum, respectively.

(ii) Amounts owing from subsidiaries and jointly-controlled entities are unsecured, interest-free, and have no fixed terms of repayment. The settlement of these balances is neither planned nor likely to occur in the foreseeable future, and hence are classified as non-current receivables. Allowance for impairment on the amounts owing by subsidiaries and jointly-controlled entities under SFRS(I) 9 is insignificant.

12 DEFERRED TAX

Movements in deferred tax liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2021 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2021 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2022 $'000
Group							
Deferred tax liabilities							
Investment properties	17,644	6,133	100	23,877	(8,415)	(2,082)	**13,380**
Development properties	1,409	824	(68)	2,165	3,845	(373)	**5,637**
Others	–	61	(4)	57	1,137	(43)	**1,151**
	19,053	7,018	28	26,099	(3,433)	(2,498)	**20,168**
Deferred tax assets							
Tax losses	112	33	(3)	142	127	(14)	**255**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

13 (I) DEVELOPMENT PROPERTIES

	Group 2022 $'000	Group 2021 $'000
Properties for which revenue is to be recognised at a point in time		
Properties held for sale	**77,378**	126,141
Properties under development	**493,482**	196,557
	570,860	322,698
Allowance for foreseeable losses	**(494)**	(551)
Total development properties	**570,366**	322,147

During the year, development properties of $120,947,000 (2021: $98,070,000) were recognised as cost of sales and included in 'cost of sales – residential development projects'.

Movements in allowance for foreseeable losses are as follows:

	Group 2022 $'000	Group 2021 $'000
At 1 January	**(551)**	(545)
Exchange differences	**57**	(6)
At 31 December	**(494)**	(551)

The Group's development properties are carried at lower of cost and net realisable value. The determination of net realisable value requires judgement and estimate by management. The Group estimates the level of allowance for foreseeable losses based on the prevailing selling prices of the development properties or similar development properties within the vicinity at the reporting date, and costs to be incurred in selling the property. In the absence of current prices in an active market, valuations were obtained from an independent property valuer. Where necessary, allowance for foreseeable losses would be recorded as a result of deterioration in the estimated market values for development properties.

During the year, the Group has reviewed the allowance for foreseeable losses to record the properties at the lower of cost or net realisable values and assessed that no further allowance was required to be made.

Certain development properties with carrying value amounting to $26,934,000 (2021: $30,325,000) were pledged to secure banking facilities granted to the Group (see Note 18).

13 (II) DEPOSITS FOR LAND PREMIUM PAID FOR DEVELOPMENT PROPERTIES

Deposits for land premium in 2021 pertained to the deposits paid to third parties for the acquisition of several residential development sites in Australia. Following the completion of the acquisition, the Group reclassified the deposits for land premium to development properties in 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

14 TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	**16,577**	12,715	**–**	–
Accrued rent receivables	**5,270**	4,108	**–**	–
Impairment losses	**(50)**	(871)	**–**	–
Net receivables	**21,797**	15,952	**–**	–
Other deposits	**7,824**	1,266	**150**	126
Amounts due from:				
– subsidiaries (non-trade)				
– interest bearing	**–**	–	**8,997**	12,827
– non-interest bearing	**–**	–	**5,190**	5,907
– jointly-controlled entities (non-trade)				
– interest bearing	**12,959**	8,059	**–**	–
– non-interest bearing	**–**	25	**–**	25
Other receivables	**82,770**	13,525	**65,108**	116
Derivative financial asset	**12,300**	–	**–**	–
	137,650	38,827	**79,445**	19,001
GST recoverable	**1,903**	809	**–**	–
Prepayments	**1,157**	2,334	**168**	59
Tax recoverable	**4,207**	25,537	**–**	–
	144,917	67,507	**79,613**	19,060

Amounts due from subsidiaries and jointly-controlled entities are unsecured and repayable within the next 12 months. These balances are amounts lent to subsidiaries and jointly-controlled entities to meet their short-term funding requirements. Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 2.50% (2021: 1.25% to 4.00%) and 7.50% (2021: 7.50%) per annum, respectively.

Included in other receivables is an amount of $58,593,000 (2021: nil) pertaining to dividend declared and receivable from a China associate.

In 2021, the Group received a favorable tax judgement from the Income Tax Board of Review to discharge the previous tax assessment in respect of gains arising from the disposal of four properties. Accordingly, the Group reversed the over provision of tax expense in prior years (see Note 26) and recognised a tax recoverable (receivable) of the same amount as at 31 December 2021. The amount has been received from IRAS in 2022.

The measurement of expected credit loss on trade and other receivables involves management's estimate of the credit risk of the financial instruments and reflects the Group's assessment of economic conditions and possible default events over the expected lives of these receivables. Refer to Note 34 for the Group's assessment on credit risk exposure and determination of expected credit loss (ECL).

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and in hand	**80,167**	78,676	**11,209**	14,532
Fixed deposits	**247,219**	44,739	**149,681**	41,717
	327,386	123,415	**160,890**	56,249

The weighted average effective interest rates relating to fixed deposits at the balance sheet date for the Group is 3.78% (2021: 0.80%) per annum.

16 SHARE CAPITAL

	Group and Company	
	2022	2021
	Number of shares ('000)	Number of shares ('000)
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	**703,338**	703,338

As at 31 December 2022, included in the total number of ordinary shares was 39,321,600 (2021: 39,321,600) shares purchased by the Company (the "Treasury Shares") by way of market acquisition at an average price of $1.72 per share. The Treasury Shares were deducted from total equity (see Note 17).

The holders of ordinary shares (excluding treasury 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 (excluding treasury shares) rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net profit divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Group funds its operations and growth through a mix of equity and debt. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

From time to time, the Group may undertake share purchases or acquisitions under its approved Share Purchase Mandate if and when circumstances permit, as part of the Group's management mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The purchases or acquisitions of its shares seek to increase shareholders' values and provide greater flexibility over the Company's share capital structure.

There were no changes in the Group's approach to capital management during the year.

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YEAR ENDED 31 DECEMBER 2022

16 SHARE CAPITAL (CONT'D)

The net gearing ratio is calculated as net debt divided by total equity (excluding non-controlling interests). Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Borrowings	**3,424,704**	2,545,759	**1,074,520**	35,472
Less: Cash and cash equivalents	**(327,386)**	(123,415)	**(160,890)**	(56,249)
Net debt	**3,097,318**	2,422,344	**913,630**	(20,777)
Total equity (excluding non-controlling interests)	**3,915,729**	3,929,317	**2,293,249**	1,994,357
Net gearing ratio	**0.79**	0.62	**0.40**	(0.01)

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of some of their external borrowings. Other than the loan-to-value ratio breaches explained in Note 18, which have been cured subsequent to 31 December 2022, all externally imposed capital requirements have been complied with during the year.

17 RESERVES

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Reserve for own shares	**(67,796)**	(67,796)	**(67,796)**	(67,796)
Capital reserve	**791**	791	**–**	–
Hedging reserve	**12,300**	(14,843)	**–**	–
Foreign currency translation reserve	**(132,513)**	7,696	**–**	–
Retained earnings	**3,946,899**	3,847,421	**2,204,997**	1,906,105
	3,759,681	3,773,269	**2,137,201**	1,838,309

Reserve for own shares

Reserve for own shares comprises the cost of the Company's shares held by the Group.

Capital reserve

The capital reserve which arose prior to 1 January 2001, comprises negative goodwill arising on acquisition of interests in subsidiaries and effect of discounting of a loan extended to a subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

17 RESERVES (CONT'D)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, the gain or loss on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges and exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Retained earnings

Included in retained earnings is net accumulated gain of $422,619,000 (2021: $343,921,000) representing share of post-acquisition results of associates and jointly-controlled entities.

18 LOANS AND BORROWINGS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**2,193,486**	1,802,497	**143,033**	–
Lease liabilities	**493**	224	**–**	972
	2,193,979	1,802,721	**143,033**	972
Current liabilities				
Secured bank loans	**1,230,498**	742,839	**930,515**	33,360
Lease liabilities	**227**	199	**972**	1,140
	1,230,725	743,038	**931,487**	34,500
	3,424,704	2,545,759	**1,074,520**	35,472

The bank loans are secured on the following assets:

		Group	
	Note	**2022**	**2021**
		$'000	**$'000**
Investment properties	5	**4,546,238**	4,810,895
Development properties	13	**26,934**	30,325
Carrying amounts		**4,573,172**	4,841,220

In addition, the Group's bank loans are secured by legal assignment of sales and rental proceeds of the above properties pledged.

As at the reporting date, two subsidiaries of the Group breached the loan-to-value ("LTV") ratios in their loan covenants as the valuations of the investment properties pledged have dropped. Subsequent to 31 December 2022, the two subsidiaries have cured the breaches in relation to GBP3,658,000 loans outstanding in excess of the LTV ratios required. The banks are satisfied that the LTV ratios have been restored and accordingly, the loans are not due and payable in advance of their maturity dates.

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YEAR ENDED 31 DECEMBER 2022

18 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Effective interest rate %	Expected year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2022				
Secured bank loans				
– floating rate	**1.05 – 5.05**	**2023 – 2026**	**3,423,984**	**3,423,984**
Lease liabilities	**4.00**	**2023 – 2028**	**786**	**720**
31 December 2021				
Secured bank loans				
– floating rate	1.02 – 1.61	2022 – 2026	2,545,336	2,545,336
Lease liabilities	4.00	2022 – 2024	442	423
Company				
31 December 2022				
Secured bank loans				
– floating rate	**1.17 – 5.05**	**2023-2025**	**1,073,548**	**1,073,548**
Lease liabilities	**2.50**	**2023**	**983**	**972**
31 December 2021				
Secured bank loans				
– floating rate	1.02 – 1.17	2022	33,360	33,360
Lease liabilities	2.50	2022 – 2023	2,164	2,112

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees provided by the Company to banks in respect of banking facilities amounting to $2,464,332,000 (2021: $2,702,671,000) extended to its subsidiaries and jointly-controlled entities. The Group's financial guarantees relate to those extended by the Company to jointly controlled entities. The periods in which the financial guarantees expire are as follows:

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Less than 1 year	**111,475**	50,680	**410,662**	762,402
Between 1 and 5 years	**–**	133,770	**2,053,670**	1,940,269
More than 5 years	**–**	–	**–**	–
	111,475	184,450	**2,464,332**	2,702,671

18 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative liabilities held to hedge long-term borrowings	
	Secured bank loans $'000	Lease liabilities $'000	Interest rate swap – net liabilities $'000	Total $'000
Group				
Balance at 1 January 2021	2,429,348	187	33,500	2,463,035
Changes from financing cash flows				
Proceeds from bank loans	398,208	–	–	398,208
Repayment of liabilities	(291,664)	(48)	–	(291,712)
Interest paid	(41,744)	(10)	–	(41,754)
Total changes from financing cash flows	64,800	(58)	–	64,742
Exchange differences	16,412	(8)	–	16,404
Fair value changes	–	–	(18,657)	(18,657)
Other changes				
Liability-related				
Lease liabilities recognised	–	292	–	292
Facility fees on loans capitalised	(6,968)	–	–	(6,968)
Interest expense	41,744	10	–	41,754
Total liability-related other changes	34,776	302	–	35,078
Balance at 31 December 2021	2,545,336	423	14,843	2,560,602

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18 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities			Derivative liabilities/ (assets) held to hedge long-term borrowings	
	Secured bank loans $'000	Lease liabilities $'000	Amount due to non-controlling shareholder $'000	Interest rate swap – net liabilities/ (assets) $'000	Total $'000
Group					
Balance at 1 January 2022	2,545,336	423	17,666	14,843	2,578,268
Changes from financing cash flows					
Proceeds from bank loans	1,640,883	–	–	–	1,640,883
Repayment of liabilities	(418,327)	(216)	(14,785)	–	(433,328)
Interest paid	(88,745)	(14)	–	–	(88,759)
Total changes from financing cash flows	1,133,811	(230)	(14,785)	–	1,118,796
Exchange differences	(346,654)	(64)	(176)	–	(346,894)
Fair value changes	–	–	–	(27,143)	(27,143)
Other changes					
Liability-related					
Lease liabilities recognised	–	577	–	–	577
Interest expense	91,491	14	–	–	91,505
Total liability-related other changes	91,491	591	–	–	92,082
Balance at 31 December 2022	3,423,984	720	2,705	(12,300)	3,415,109

19 OTHER LIABILITIES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amount due to subsidiary (non-trade)	–	–	27,276	–
Rental deposits	24,909	12,310	–	–
Amount due to non-controlling shareholder (non-trade)	2,705	17,666	–	–
	27,614	29,976	27,276	–

Amount due to a subsidiary is unsecured and interest-free, and not expected to be repayable within the next 12 months.

Amount due to a non-controlling shareholder (non-trade) represents the non-controlling shareholder's net investment in the Group. The amount is unsecured and interest-free, and not expected to be repayable within the next 12 months. Accordingly, this non-current financial liability is measured at amortised cost.

20 DEFERRED INCOME

	Group	
	2022	2021
	$'000	$'000
Rental advances from tenants	**48,196**	44,354
Non-current	**46,525**	42,683
Current	**1,671**	1,671
	48,196	44,354

Included within rental advances from tenants is an amount of $42,183,000 (2021: $43,854,000) received by the Group arising from its sale of a 30-year leasehold interest in an investment property with 999-year tenure in 2018. The sale proceeds are amortised and recognised as rental income over the 30-year leasehold period.

21 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Sales deposits	**10,758**	10,454	**–**	–
Rental deposits	**5,112**	8,261	**–**	–
Advance rental	**28,880**	14,646	**–**	–
Accrued operating expenses and development expenditure	**26,542**	24,678	**6,688**	14,004
Amounts due to subsidiaries (non-trade)	**–**	–	**37,526**	2,397
Other payables	**29,257**	12,916	**47**	–
Derivative financial liability	**–**	14,843	**–**	–
Goods and services tax payable	**7,584**	5,957	**273**	231
	108,133	91,755	**44,534**	16,632

Amounts due to subsidiaries (non-trade) are unsecured and interest-free, and are repayable on demand.

22 REVENUE

Revenue represents the sale of development properties, rental income and service charges, after eliminating inter-company transactions.

	Group	
	2022	2021
	$'000	$'000
Sales of development properties, transferred at a point in time	**175,940**	123,951
Rental income and service charges	**259,682**	223,742
	435,622	347,693

Included in rental income and service charges is lease income generated from investment properties of $255,844,000 (2021: $217,342,000).

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23 OTHER INCOME

	Group	
	2022	**2021**
	$'000	**$'000**
Government grant income	**–**	94
Dividend income from investment designated at FVTPL	**167**	119
Realised gains from financial assets designated at FVTPL	**73**	67
Fair value gain on financial assets at FVTPL	**27,286**	37,726
Gain on disposal of investment property	**2,806**	–
Forfeiture income	**–**	69
Income from property management services	**1,263**	1,158
Right-to-lights compensation	**4,064**	–
Dilapidation income	**1,799**	–
Management fee income	**878**	351
Sale of management rights on development property project	**–**	129
Others	**842**	484
	39,178	40,197

Government grant income

In 2021, government grant income of $94,000 related to various temporary wage support schemes in Singapore and Australia to help companies deal with the impact from COVID-19, were received.

24 DIRECTORS' REMUNERATION

Number of Directors in remuneration bands:

	2022 Number of Directors	**2021 Number of Directors**
$500,000 and above	**3**	3
$250,000 to $499,999	**–**	–
Below $250,000	**6***	7*
Total	**9**	10

* Includes 6 (2021: 7) Non-Executive Directors.

25 FINANCE INCOME AND FINANCE COSTS

	Group	
	2022	**2021**
	$'000	**$'000**
Interest income from debt investments carried at amortised cost/finance income	**3,486**	1,965
Interest expenses on financial liabilities measured at amortised cost/finance costs	**(91,505)**	(41,754)
Net finance costs recognised in profit or loss	**(88,019)**	(39,789)

26 INCOME TAX EXPENSE

	Note	Group 2022 $'000	Group 2021 $'000
Current tax expense			
Current year		**48,300**	29,031
Over provision in respect of prior years		**(36,940)**	(24,451)
		11,360	4,580
Deferred tax expense			
Movements in temporary differences		**4,500**	7,406
Over provision in respect of prior years		**(8,060)**	(421)
	12	**(3,560)**	6,985
Withholding tax		**3,003**	6,004
Total income tax expense		**10,803**	17,569
Reconciliation of effective tax rate			
Profit for the year		**167,106**	340,009
Total income tax expense		**10,803**	17,569
Profit before income tax		**177,909**	357,578
Tax calculated using Singapore tax rate of 17% (2021: 17%)		**30,245**	60,788
Expenses not deductible for tax purposes		**43,118**	2,324
Tax exempt revenue		**(122)**	(122)
Income not subject to tax		**(7,253)**	(7,914)
Effect of different tax rates in other countries		**4,131**	1,945
Effect of results of equity-accounted investees presented net of tax		**(13,027)**	(19,639)
Withholding tax		**3,003**	6,004
Tax incentives		**(3,907)**	(945)
Utilisation of previously unrecognised tax losses		**(385)**	–
Over provision in respect of prior years		**(45,000)**	(24,872)
		10,803	17,569

Significant judgement is required in determining the Group's taxability of certain income, capital allowances, and deductibility of certain expenses during the estimation of the provision for income taxes and deferred tax liabilities. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Group's statement of financial position.

27 PROFIT FOR THE YEAR

The following significant items have been included in arriving at profit for the year:

	Note	Group 2022 $'000	Group 2021 $'000
Direct operating expenses from investment properties		**18,323**	15,638
Audit fees payable/paid to auditors of the Company		**595**	478
Non-audit fees paid to auditors of the Company		**892**	139
Depreciation of property, plant and equipment and right-of-use assets	4	**997**	1,045
Staff costs		**11,965**	12,088
Contributions to defined contribution plans included in staff costs		**679**	615
(Writeback of impairment loss)/impairment loss on trade receivables	34	**(685)**	273

28 EARNINGS PER SHARE

	Group 2022 $'000	Group 2021 $'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	**165,880**	330,512

The Company does not have any dilutive potential ordinary shares in existence for the current and previous financial years.

	Group 2022 Number of shares '000	Group 2021 Number of shares '000
Ordinary shares in issue at beginning of the year	**703,338**	703,338
Effect of own shares held	**(39,322)**	(39,322)
Weighted average number of ordinary shares in issue during the year	**664,016**	664,016

29 DIVIDENDS

After the balance sheet date, the Directors proposed the following dividends, which have not been provided for.

	Group and Company 2022 $'000	Group and Company 2021 $'000
Proposed first and final tax-exempt dividend of 8 cents (2021: 10 cents) per share	**53,121**	66,402

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Group are considered as key management personnel.

Key management personnel compensation comprises:

	Group	
	2022	**2021**
	$'000	**$'000**
Directors' fees	**539**	492
Directors' remuneration:		
– short-term employee benefits	**6,296**	13,259
	6,835	13,751

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the transactions with related parties entered into on terms agreed between the parties are as follows:

		Group	
		2022	**2021**
		$'000	**$'000**
Associates and jointly-controlled entities			
Management fee		**294**	294
Interest income		**1,978**	1,729
Related corporations			
Rental income		**81**	81
Other operating expenses:			
– insurance on investment properties		**146**	83
– other insurances		**141**	137
– printing		**9**	5
– commission		**–**	159
– others		**51**	33
Other related parties			
Donations made	(i)	**2,100**	2,500

(i) The donation of $2,100,000 (2021: $2,500,000) was made to Ho Bee Foundation ("Foundation"), of which Dr. Chua Thian Poh, Mr. Seow Choke Meng and Ms. Josephine Choo are Directors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

31 LEASES

(a) Leases as lessee

The Group leases some office premises for its subsidiaries in Australia. The leases run for a period of 1 to 6 years.

The Company leases its office premise from a subsidiary. The lease runs for a period of 5 years, with an option to renew the lease after that date.

Information about the right-of-use asset relating to the leased office premise is in Note 4.

(b) Leases as lessor

The Group leases out its investment properties and certain properties held for sale. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 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	
	2022	**2021**
	$'000	**$'000**
Operating leases under SFRS(I) 16		
Less than one year	**239,104**	206,052
One to two years	**199,128**	169,116
Two to three years	**181,370**	130,682
Three to four years	**125,696**	97,499
Four to five years	**113,794**	51,060
More than five years	**298,459**	111,966
Total	**1,157,551#**	766,375

Excludes lease payments to be received for Elementum, which cannot be reliably estimated at the reporting date.

32 COMMITMENTS

As at 31 December 2022, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Authorised and contracted for:		
Subscription for additional interest in European property funds and notes	**24,859**	55,604
Development expenditure for properties under development	**26,919**	30,257
Capital expenditure for investment properties	**142,488**	166,896
Balance sum on purchase of land for development properties	**–**	235,620
	194,266	488,377

33 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing the risk.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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 receivables from customers and financial assets. The Group has procedures in place to manage credit risk and exposure to such risk is monitored on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses. When the Group is satisfied that no recovery of the amount owing is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are restricted with counterparties who meet the appropriate credit criteria and/or are of high credit standing. As such, management does not expect any counterparty to fail to meet its obligations.

Financial guarantee

The principal risk to which the Company is exposed to is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were provided on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries, associates and jointly-controlled entities.

The intra-group financial guarantees with subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

The Company has assessed that the subsidiaries and jointly-controlled entity have strong financial capacity to meet their contractual cash flow obligations in the near future and hence, does not expect significant credit losses from these guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient level of cash and fixed deposits to meet its working capital requirements.

In addition, the Group maintains revolving credit facilities of a reasonable level compared to its current debt obligation. When necessary, the Group will raise committed funding from either the capital markets and/or financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at the reporting date, the Group has undrawn committed revolving credit facilities of $280,300,000 (2021: $388,755,000) which can be drawn down to meet short-term financing needs.

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 on risk.

Interest rate risk

The Group manages its interest rate exposure by actively reviewing its debt portfolio and switching to cheaper sources of funding to achieve a certain level of protection against interest rate hikes. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform (see Note 3.3(vi) for the accounting policy).

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable rate borrowings, and the Group actively monitors the need and timing for such derivatives.

Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's statement of financial position.

Hedging relationships that are impacted by the IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR transition. For further details, see '*Managing interest rate benchmark reform and associated risks*' below.

Cash flow hedges

As at 31 December 2022, a subsidiary of the Group has entered into interest rate swaps totalling $450,000,000 (2021: $450,000,000) to fix the interest relating to the payment of periodic interest charges arising from bank borrowings, and designated these as cash flow hedges. The risk being hedged was the variability of cash flows arising from movements in interest rates. The hedges will be in place until the bank borrowings mature in 2024.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Cash flow hedges (cont'd)

The cash flows will occur on a periodic basis until the loans mature in 2024 and these hedges which are designated as cash flow hedges, are considered to be highly effective. The carrying value of the hedging instruments were remeasured to their fair value at each reporting date, with the effective portion of changes in fair value since inception being taken to the hedging reserve. The gain recognised in the OCI in 2022 in respect of the changes in fair value of the hedging instruments was $27,143,000 (2021: $18,657,000). There was no ineffectiveness recognised in profit or loss that arose from the cash flow hedges.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform").

In 2021, the Group replaced all of its floating-rate borrowings indexed to the Sterling London Inter-Bank Offered Rate ("LIBOR") with the Sterling Overnight Interbank Average Rate ("SONIA"), and a floating-rate borrowing indexed to the Singapore swap offered rates ("SOR") with the Singapore Overnight Rate Average ("SORA").

In 2022, the Group amended its remaining SOR linked borrowing and interest rate swaps to reference SORA. Following the amendments, as at 31 December 2022, all of the Group's floating-rate liabilities are now indexed to SONIA or SORA, and the Group is no longer exposed to any interest rate risk arising from the IBOR reform.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. In 2022, the Group replaced all of its interest rate swaps that have floating legs indexed to SOR with SORA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA. This benchmark rate is quoted each day and the cash flows are exchanged with its counterparties as usual.

The Group has replaced its SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SORA by the end of 2022. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the amendments to SFRS(I) 9 issued in December 2019 (Phase 1) to those hedging relationships.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The following table shows the total amounts of unreformed contracts at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR Total amount of unreformed contracts	
	2022	**2021**
	$'000	**$'000**
Group		
Financial liabilities		
Secured bank loan	–	450,000
Derivatives		
Interest rate swaps	–	450,000

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group is also exposed to currency translation risk on its net investments in foreign operations. The currencies giving rise to these risks are primarily the United States dollar (USD), British pound (GBP), Australian dollar (AUD), Euro (EUR) and Renminbi (RMB).

Net investment hedge in foreign operation

The Group designated its GBP and AUD-denominated external borrowings as a hedge of the net investment in its subsidiaries that are denominated in GBP and AUD to minimise the Group's exposure to the currency risk arising on translation of net investment in foreign operations. The hedged risk in the net investment hedge is the risk of a weakening GBP and/or AUD against the Singapore dollar (SGD) that will result in a reduction in the carrying amount of the Group's net investment in the GBP and/or AUD foreign operations. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the SGD/GBP and SGD/AUD spot rates.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal. No ineffectiveness was recognised from the net investment hedge.

34 FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Group's credit risk is primarily attributable to trade and other receivables and financial assets. Based on the Group's historical experience in the collection of accounts receivable, credit risk falls within the recorded allowance. Due to these factors, management believes that no additional credit risk is inherent in the Group's trade receivables.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
(Writeback of impairment loss)/impairment loss on trade receivables	**(685)**	273

At the reporting date, the Group has receivables owing from jointly-controlled entities totalling to $137,398,000 (2021: $183,492,000) representing 51% (2021: 61%) of total gross trade and other receivables. Except for these receivables, there was no concentration of credit risk.

<u>Impairment losses</u>

Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. ECL is calculated based on actual credit loss experience over the past three years, and adjusted for differences between economic conditions during the period over which the historic data has been collected, current market conditions and the Group's view of economic conditions over the expected lives of the receivables. As of 31 December 2022, no scalar factor has been applied.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	2022		2021	
	Gross carrying amount $'000	**Impairment loss allowance $'000**	**Gross carrying amount $'000**	**Impairment loss allowance $'000**
Group				
Not past due	**17,907**	**–**	14,773	–
Past due 1 – 30 days	**1,390**	**–**	984	–
Past due 31 – 120 days	**684**	**–**	77	–
More than 120 days past due	**1,866**	**(50)**	989	(871)
	21,847	**(50)**	16,823	(871)

NOTES TO THE FINANCIAL STATEMENTS

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables

The movements in impairment loss in respect of trade receivables during the year are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
At 1 January	**871**	593
Impairment loss recognised	**–**	693
Writeback of impairment loss	**(685)**	(420)
Bad debt written off	**(129)**	(4)
Exchange differences	**(7)**	9
At 31 December	**50**	871

Impairment loss relates to tenants that are in financial difficulties and have defaulted on payments. Where the tenants have provided security deposits, the impairment loss were recognised based on rental in arrears net of security deposits.

Based on the Group's assessment, the Group believes that no further impairment allowance beyond that provided for is necessary in respect of trade and other receivables as the remaining balances are considered fully recoverable.

Guarantees

The Group's policy is to provide financial guarantees only for its subsidiaries, associates and jointly-controlled entities' liabilities. At 31 December 2022, the Company has issued guarantees to certain banks in respect of credit facilities granted to nine subsidiaries and one jointly-controlled entity (see Note 18). The Company had assessed that the expected credit loss in respect of the Company's guarantees issued was insignificant.

Amounts due from subsidiaries and jointly-controlled entities

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances was insignificant.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Secured bank loans*	**3,423,984**	**(3,712,898)**	**(1,343,423)**	**(2,369,475)**	**–**
Rental deposits	**30,021**	**(30,021)**	**(5,112)**	**(24,909)**	**–**
Trade and other payables**	**86,153**	**(86,153)**	**(83,447)**	**(2,706)**	**–**
Lease liability	**720**	**(786)**	**(251)**	**(489)**	**(46)**
Recognised liabilities	**3,540,878**	**(3,829,858)**	**(1,432,233)**	**(2,397,579)**	**(46)**
Financial guarantees (unrecognised)	**–**	**(111,475)**	**(111,475)**	**–**	**–**
	3,540,878	**(3,941,333)**	**(1,543,708)**	**(2,397,579)**	**(46)**
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans*	2,545,336	(2,652,528)	(576,841)	(2,075,687)	–
Rental deposits	20,571	(20,571)	(8,261)	(12,310)	–
Trade and other payables**	69,905	(69,905)	(52,240)	(17,665)	–
Lease liability	423	(442)	(211)	(231)	–
Recognised liabilities	2,636,235	(2,743,446)	(637,553)	(2,105,893)	–
Financial guarantees (unrecognised)	–	(184,450)	(50,680)	(133,770)	–
	2,636,235	(2,927,896)	(688,233)	(2,239,663)	–

* The contractual cashflows are net of the impact of interest rate swaps.
For secured bank loans with no interest rate swap arrangements, the contractual cashflows include the estimated interest payments based on interest rates repriced in the 4th quarter of each financial year.

** Exclude derivative financial liability, sales deposits and goods and services tax payable.

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34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Company					
31 December 2022					
Non-derivative financial liabilities					
Secured bank loans	**1,073,548**	**(1,099,478)**	**(945,222)**	**(154,256)**	**–**
Amounts due to subsidiaries	**64,802**	**(64,802)**	**(37,526)**	**(27,276)**	**–**
Trade and other payables*	**6,735**	**(6,735)**	**(6,735)**	**–**	**–**
Lease liability	**972**	**(983)**	**(983)**	**–**	**–**
Recognised liabilities	**1,146,057**	**(1,171,998)**	**(990,466)**	**(181,532)**	**–**
Intragroup financial guarantees (unrecognised)	**–**	**(2,464,332)**	**(410,662)**	**(2,053,670)**	**–**
	1,146,057	**(3,636,330)**	**(1,401,128)**	**(2,235,202)**	**–**
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	33,360	(34,148)	(34,148)	–	–
Amounts due to subsidiaries	2,397	(2,397)	(2,397)	–	–
Trade and other payables*	14,004	(14,004)	(14,004)	–	–
Lease liability	2,112	(2,164)	(1,180)	(984)	–
Recognised liabilities	51,873	(52,713)	(51,729)	(984)	–
Intragroup financial guarantees (unrecognised)	–	(2,702,671)	(762,402)	(1,940,269)	–
	51,873	(2,755,384)	(814,131)	(1,941,253)	–

* Exclude goods and services tax payable.

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

Exposure to currency risk

The Group's significant exposures to foreign currencies other than the Company's functional currency are as follows:

	2022					2021				
	USD $'000	GBP $'000	AUD $'000	EUR $'000	RMB $'000	USD $'000	GBP $'000	AUD $'000	EUR $'000	RMB $'000
Group										
Financial assets	**159**	**–**	**–**	**77,611**	**–**	304	–	–	225,833	–
Amounts due from subsidiaries	**–**	**538,715**	**565,473**	**–**	**–**	32,731	671,800	286,561	–	2,250
Cash and cash equivalents	**391**	**1,468**	**818**	**144**	**3**	287	42,655	5,225	1,589	41,935
Loans and borrowings	**–**	**(1,470,837)**	**(43,273)**	**–**	**–**	–	(1,812,682)	(755)	(113,421)	–
Net exposure in the statement of financial position	**550**	**(930,654)**	**523,018**	**77,755**	**3**	33,322	(1,098,227)	291,031	114,001	44,185
Cross currency interest rate swap	**–**	**–**	**(100,000)**	**–**	**–**	–	–	–	–	–
Borrowings designated for net investment hedges	**–**	**1,076,594**	**–**	**–**	**–**	–	–	–	–	–
Net exposure	**550**	**145,940**	**423,018**	**77,755**	**3**	33,322	(1,098,227)	291,031	114,001	44,185
Company										
Financial assets	**–**	**–**	**–**	**77,611**	**–**	–	–	–	225,833	–
Amounts due from subsidiaries	**–**	**538,715**	**565,473**	**–**	**–**	–	658,215	276,068	–	–
Cash and cash equivalents	**21**	**1,468**	**818**	**144**	**3**	–	–	–	1,586	41,851
Loans and borrowings	**–**	**(930,758)**	**(43,273)**	**–**	**–**	–	(33,751)	–	–	–
Net exposure in the statement of financial position	**21**	**(390,575)**	**523,018**	**77,755**	**3**	–	624,464	276,068	227,419	41,851
Cross currency interest rate swap	**–**	**–**	**(100,000)**	**–**	**–**	–	–	–	–	–
Net exposure	**21**	**(390,575)**	**423,018**	**77,755**	**3**	–	624,464	276,068	227,419	41,851

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

The foreign currencies which the Group is significantly exposed to are USD, GBP, AUD, EUR and RMB. A 10% strengthening of the SGD against these foreign currencies at the reporting date would (decrease)/increase equity and profit before income tax by amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	10% strengthening of SGD	
	Equity $'000	Profit before income tax $'000
Group		
31 December 2022		
USD	**–**	**(55)**
GBP	**(20,559)**	**(14,594)**
AUD	**(42,853)**	**(42,302)**
EUR	**–**	**(7,776)**
RMB	**–**	**–**
31 December 2021		
USD	(3,273)	(59)
GBP	111,047	(1,224)
AUD	(1,496)	(27,607)
EUR	–	(11,400)
RMB	–	(4,419)
Company		
31 December 2022		
GBP	**–**	**39,058**
AUD	**–**	**(42,302)**
EUR	**–**	**(7,776)**
RMB	**–**	**–**
31 December 2021		
GBP	(61,275)	(1,171)
AUD	–	(27,607)
EUR	–	(22,742)
RMB	–	(4,185)

A 10% weakening of the SGD against the above currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Hedge accounting

Net investment hedges

At 31 December 2022, the Group's amounts relating to items designated as hedging instruments for net investment hedge are as follows:

	Nominal amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness $'000	Change in value of hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss $'000	Line item affected in profit or loss because of the reclassification
2022										
Foreign exchange denominated debt (GBP)	**1,505,360**	**–**	**1,505,360**	Loans and borrowings	**(16,860)**	**(16,860)**	**–**	**NA**	**–**	**NA**
Foreign exchange denominated debt (AUD)	**136,940**	**–**	**136,940**	Loans and borrowings	**(21,772)**	**(21,772)**	**–**	**NA**	**–**	**NA**
	1,642,300	**–**	**1,642,300**		**(38,632)**	**(38,632)**	**–**	**NA**	**–**	**NA**
2021										
Foreign exchange denominated debt (GBP)	477,628	–	477,628	Loans and borrowings	1,628	1,628	–	NA	–	NA

	Change in value used for calculating hedge ineffectiveness $'000	Foreign currency translation reserve $'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied $'000
For the year ended 31 December 2022			
GBP net investment	**(16,860)**	**(13,870)**	**–**
AUD net investment	**(21,772)**	**(21,772)**	**–**
	(38,632)	**(35,642)**	**–**
For the year ended 31 December 2021			
GBP net investment	1,628	2,990	–

NA: Not Applicable

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		Company Carrying amount	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Financial assets	**377,683**	195,476	**1,011,129**	1,003,356
Lease liabilities	**(720)**	(423)	**(972)**	(2,112)
Effect of interest rate swaps	**(450,000)**	(450,000)	**–**	–
	(73,037)	(254,947)	**1,010,157**	1,001,244
Variable rate instruments				
Bank loans	**(3,423,984)**	(2,545,336)	**(1,073,548)**	(33,360)
Effect of interest rate swaps	**450,000**	450,000	**–**	–
	(2,973,984)	(2,095,336)	**(1,073,548)**	(33,360)

Sensitivity analysis

Fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Variable rate instruments

For the interest rate swaps and the other variable rate financial assets and liabilities, a change of 100 basis points (bp) in interest rate at the reporting date would (decrease)/increase profit before income tax by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Profit before income tax	
	100 bp increase $'000	100 bp decrease $'000
Group		
31 December 2022		
Variable rate instruments	**(29,740)**	**29,740**
31 December 2021		
Variable rate instruments	(20,953)	20,953

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

	Profit before income tax	
	100 bp increase	**100 bp decrease**
	$'000	**$'000**
Company		
31 December 2022		
Variable rate instruments	**(10,735)**	**10,735**
31 December 2021		
Variable rate instruments	(334)	334

Estimation of fair values for financial assets and liabilities

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a finance team that reports directly to the Finance Director, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The following summarises the methods and significant assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Financial assets designated at FVTPL and FVOCI

The fair value of the Group's and the Company's financial assets designated at FVTPL and FVOCI is determined by reference to their quoted bid price at the balance sheet date. If a quoted market price is not available, the fair value of the financial assets is estimated using valuation techniques disclosed in the respective fair value levels.

Amounts due from/to subsidiaries, jointly-controlled entities and non-controlling shareholder

The carrying values of amounts due from/to subsidiaries and jointly-controlled entities that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows. For non-interest bearing amounts, the prevailing market interest rates of similar loans are used to discount the loans due from/to subsidiaries, jointly-controlled entities and non-controlling shareholder to arrive at their fair values.

Interest-bearing bank loans (secured)

The carrying values of interest-bearing bank loans that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables, including derivatives) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are as follows:

	2022 %	2021 %
Receivables	**2.0 – 4.4**	1.0 – 1.5
Payables	**3.0 – 5.1**	1.0 – 1.6

Fair values versus carrying amounts

The carrying amounts of the Group's and the Company's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2022 and 31 December 2021. Fair value disclosure of lease liabilities is not required.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets carried at fair value				
Group				
31 December 2022				
Financial assets at FVTPL	**4,089**	**–**	**77,692**	**81,781**
Financial assets at FVOCI	**–**	**–**	**78**	**78**
Interest rate swaps used for hedging	**–**	**12,300**	**–**	**12,300**
	4,089	**12,300**	**77,770**	**94,159**
31 December 2021				
Financial assets at FVTPL	5,221	–	226,059	231,280
Financial assets at FVOCI	–	–	78	78
Interest rate swaps used for hedging	–	(14,843)	–	(14,843)
	5,221	(14,843)	226,137	216,515

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 2 fair values

The Group entered into interest rate swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps are carried at fair value at each reporting date, based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs in measuring the fair value.

	Group	
	Contract/ notional amount $'000	Fair value of assets/ (liabilities) $'000
31 December 2022		
Cash flow hedges – Interest rate swaps	**450,000**	**12,300**
31 December 2021		
Cash flow hedges – Interest rate swaps	450,000	(14,843)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at FVTPL $'000	Financial assets at FVOCI $'000	Total $'000
Group			
2022			
At 1 January	**226,059**	**78**	**226,137**
Fair value changes	**29,213**	**–**	**29,213**
Realised gain recognised in profit or loss	**73**	**–**	**73**
Exchange differences recognised in profit or loss	**(9,628)**	**–**	**(9,628)**
Purchases	**5,810**	**–**	**5,810**
Distribution	**(49,900)**	**–**	**(49,900)**
Redemption	**(123,935)**	**–**	**(123,935)**
At 31 December	**77,692**	**78**	**77,770**
Total gain for the year included in profit or loss for assets held as at 31 December	**19,658**	**–**	**19,658**
2021			
At 1 January	174,431	77	174,508
Fair value changes	37,520	–	37,520
Realised gain recognised in profit or loss	67	–	67
Exchange differences recognised in profit or loss	(11,575)	1	(11,574)
Purchases	27,388	–	27,388
Distribution	(170)	–	(170)
Redemption	(1,602)	–	(1,602)
At 31 December	226,059	78	226,137
Total gain for the year included in profit or loss for assets held as at 31 December	26,012	1	26,013

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 3 fair values (cont'd)

The gain for the year included in profit or loss comprises:

	2022 $'000	2021 $'000
Other income		
Fair value gain	**29,213**	37,520
Realised gains from financial assets designated at FVTPL	**73**	67
	29,286	37,587
Gain on foreign exchange		
Exchange differences recognised	**(9,628)**	(11,574)
Total gain for the year included in profit or loss	**19,658**	26,013

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of European property fund and debt instruments (notes) are determined based on the latest available net asset value ("NAV") of the funds and notes obtained from the investment property/fund manager. The underlying assets of the European property fund and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

Due to the inherent uncertainty of valuations of financial assets, the estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Sensitivity analysis

For financial assets at FVTPL, a change of 10% in fair value of the investments would result in an increase or decrease of profit before income tax by $8,178,000 (2021: $23,128,000).

34 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	FVOCI – equity instruments $'000	Fair value – hedging instruments $'000	Financial liabilities at amortised cost $'000	Total $'000
Group						
31 December 2022						
Trade and other receivables, including derivatives*	**250,522**	**–**	**–**	**12,300**	**–**	**262,822**
Financial assets at FVOCI	**–**	**–**	**78**	**–**	**–**	**78**
Financial assets at FVTPL	**–**	**81,781**	**–**	**–**	**–**	**81,781**
Cash and cash equivalents	**327,386**	**–**	**–**	**–**	**–**	**327,386**
Loans and borrowings	**–**	**–**	**–**	**–**	**(3,424,704)**	**(3,424,704)**
Trade and other payables**	**–**	**–**	**–**	**–**	**(128,163)**	**(128,163)**
	577,908	**81,781**	**78**	**12,300**	**(3,552,867)**	**(2,880,800)**
31 December 2021						
Trade and other receivables*	214,293	–	–	–	–	214,293
Financial assets at FVOCI	–	–	78	–	–	78
Financial assets at FVTPL	–	231,280	–	–	–	231,280
Cash and cash equivalents	123,415	–	–	–	–	123,415
Loans and borrowings	–	–	–	–	(2,545,759)	(2,545,759)
Trade and other payables, including derivatives**	–	–	–	(14,843)	(90,476)	(105,319)
	337,708	231,280	78	(14,843)	(2,636,235)	(2,082,012)

* Excludes prepayments, tax recoverable and goods and services tax recoverable.

** Excludes goods and services tax payable and sale deposits.

34 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	Financial liabilities at amortised cost $'000	Total $'000
Company				
31 December 2022				
Trade and other receivables*	**1,446,670**	**–**	**–**	**1,446,670**
Financial assets at FVTPL	**–**	**77,611**	**–**	**77,611**
Cash and cash equivalents	**160,890**	**–**	**–**	**160,890**
Loans and borrowings	**–**	**–**	**(1,074,520)**	**(1,074,520)**
Trade and other payables**	**–**	**–**	**(71,537)**	**(71,537)**
	1,607,560	**77,611**	**(1,146,057)**	**539,114**
31 December 2021				
Trade and other receivables*	1,197,605	–	–	1,197,605
Financial assets at FVTPL	–	225,833	–	225,833
Cash and cash equivalents	56,249	–	–	56,249
Loans and borrowings	–	–	(35,472)	(35,472)
Trade and other payables**	–	–	(16,401)	(16,401)
	1,253,854	225,833	(51,873)	1,427,814

* Excludes prepayments.

** Excludes goods and services tax payable.

35 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Property investment : The investment in properties.
- Property development : The development and trading in properties.

Other segments include investing in equity securities, private equity and European property fund and notes. These segments do not meet any of the quantitative thresholds for determining reportable segments in 2022 or 2021.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by management. Segment gross profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Property Development $'000	Property Investment $'000	Others $'000	Total $'000
31 December 2022				
External revenue	**175,940**	**259,682**	**–**	**435,622**
Operating results	**50,014**	**239,170**	**–**	**289,184**
Fair value changes in investment properties				**(98,749)**
Other operating income				**39,178**
Other operating expenses				**(42,383)**
Profit from operations				**187,230**
Finance costs				**(88,019)**
Share of profits of associates				**32,711**
Share of profits of jointly-controlled entities				**45,987**
Income tax expense				**(10,803)**
Profit for the year				**167,106**
Other material items:				
Additions/capital expenditure	**–**	**1,336,642**	**–**	**1,336,642**
Reportable segment assets	**610,677**	**5,862,232**	**81,859**	**6,554,768**
Investments in associates and jointly-controlled entities*	**554,739**	**–**	**–**	**554,739**
Reportable segment liabilities	**175,806**	**3,333,397**	**–**	**3,509,203**
31 December 2021				
External revenue	123,951	223,742	–	347,693
Operating results	19,635	205,391	–	225,026
Fair value changes in investment properties				53,106
Other operating income				40,197
Other operating expenses				(36,487)
Profit from operations				281,842
Finance costs				(39,789)
Share of profits of associates				44,217
Share of profits of jointly-controlled entities				71,308
Income tax expense				(17,569)
Profit for the year				340,009
Other material items:				
Additions/capital expenditure	–	184,482	–	184,482
Reportable segment assets	352,884	5,006,157	231,358	5,590,399
Investments in associates and jointly-controlled entities*	797,776	–	–	797,776
Reportable segment liabilities	41,384	2,599,883	–	2,641,267

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments (cont'd)

Reconciliations of reportable segment assets and liabilities and other material items

	2022 $'000	2021 $'000
Assets		
Total assets for reportable segments	**6,472,909**	5,359,041
Assets for other segment	**81,859**	231,358
Investments in equity accounted investees*	**554,739**	797,776
Other unallocated amounts	**492,152**	352,142
Consolidated total assets	**7,601,659**	6,740,317
Liabilities		
Total liabilities for reportable segments	**3,509,203**	2,641,267
Other unallocated amounts	**162,464**	149,399
Consolidated total liabilities	**3,671,667**	2,790,666

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

	Reportable segment total $'000	Unallocated amounts $'000	Consolidated total $'000
Other material items			
31 December 2022			
Additions/capital expenditure	**1,336,642**	**–**	**1,336,642**
Depreciation of property, plant and equipment and right-of-use assets	**–**	**997**	**997**
31 December 2021			
Additions/capital expenditure	184,482	–	184,482
Depreciation of property, plant and equipment and right-of-use assets	–	1,045	1,045

35 OPERATING SEGMENTS (CONT'D)

(b) Geographical segments

The Group operates principally in Singapore, United Kingdom, Australia and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business. Segment assets are based on the geographical location of the assets.

	Singapore $'000	United Kingdom $'000	Australia $'000	China $'000	Consolidated total $'000
31 December 2022					
Revenue	**158,021**	**157,612**	**116,156**	**3,833**	**435,622**
Non-current assets*	**2,942,883**	**3,211,207**	**34,595**	**162,633**	**6,351,318**
31 December 2021					
Revenue	174,477	122,964	48,996	1,256	347,693
Non-current assets*	2,767,942	2,531,196	36,446	427,113	5,762,697

* Excludes financial assets, other receivables and deferred tax asset.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more to the Group's revenue.

36 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 34.

Investment properties

Investment properties are stated at fair value. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment property portfolio at each year end.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably. The valuers have considered valuation techniques including market comparison method, the income capitalisation method and the residual value method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. Assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate, comparable market price and occupancy rate.

36 DETERMINATION OF FAIR VALUES (CONT'D)

Investment properties (cont'd)

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The income capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property.

The residual value method, which is used to value the property in its existing partially completed state of construction, involves estimating the gross development value ("GDV") of the proposed development and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin on construction and development. The GDV is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. In estimating the GDV, the valuer has considered the sale of comparable properties with adjustments made to reflect the differences in location, tenure, size, standard of finishes and fittings as well as the dates of transactions.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 34.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets carried at fair value				
Group				
31 December 2022				
Investment properties	**–**	**–**	**5,756,115**	**5,756,115**
31 December 2021				
Investment properties	–	–	4,952,993	4,952,993

36 DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties 2022 $'000	Investment properties 2021 $'000
Group		
At 1 January	**4,952,993**	4,629,845
Additions/capital expenditure	**1,336,642**	184,482
Disposal	**(13,600)**	–
Reclassification from deposit for land premium	**–**	55,900
Gains and losses for the year		
Fair value changes	**(98,749)**	53,106
Exchange differences	**(421,171)**	29,660
At 31 December	**5,756,115**	4,952,993

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 31 December 2022:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties in Singapore	Market comparison method	Transacted price of comparable properties[1]: $701 - $2,502 psf (2021: $647 - $2,170 psf)	The estimated fair value would increase with higher transacted price of comparable properties
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2021: 3.50% - 5.00%)	The estimated fair value would increase with lower capitalisation rate
Commercial property under development in Singapore	Residual value method	Gross development value: $479,000,000 (2021: $463,900,000) Estimated cost to completion: $141,427,000 (2021: $165,018,000)	The estimated fair value would increase with higher gross development value The estimated fair value would increase with lower cost to completion
Commercial properties in United Kingdom	Income capitalisation approach	Capitalisation rates: 4.21% - 7.66% (2021: 4.03% - 5.65%)	The estimated fair value would increase with lower capitalisation rate

[1] Adjusted for any differences in location, tenure, size and conditions of the specific property.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

37 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- 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*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

38 SUBSEQUENT EVENT

Disposal of two Singapore properties

On 7 March 2023, the Group entered into a sale and purchase agreement with an unrelated third party to dispose of its two Singapore properties, HB Centre 1 and HB Centre 2 for a consideration of $115,000,000. The consideration was arrived at on a willing-seller and willing-buyer basis, and will be satisfied wholly in cash. As at 15 March 2023, the Group had received a deposit of $11,500,000, with the balance to be received upon completion, which is expected to be on or before 27 June 2023. The gain on disposal is estimated to be $47,100,000, before related transaction costs.

ADDITIONAL INFORMATION

31 DECEMBER 2022

INVESTMENT PROPERTIES

Location	Description	Land Tenure	Lettable Area (sq m)	Group's effective interest
Singapore				
623A Bukit Timah Road	Petrol station	Leasehold – 999 years	1,857	100%
HB Centre 1 12 Tannery Road	A block of 10-storey high-tech industrial building	Freehold	7,630	100%
HB Centre 2 31 Tannery Lane	A block of 8-storey light industrial building	Freehold	3,216	100%
The Metropolis 9 & 11 North Buona Vista Drive	Two office towers of 21 and 23 storeys with retail component	Leasehold – 99 years from 3 November 2010	101,368	100%
Elementum 1 North Buona Vista Link	A 12-storey Biomedical Sciences Development with retail facilities	Leasehold – 60 years from 20 Feb 2021	34,749	100%
London				
1 St Martin's Le Grand London EC1A 4NP	A block of 11-storey office building	Freehold	25,715	100%
60 St Martin's Lane London WC2 4JS	A block of 6-storey office building	Freehold	3,377	100%
39 Victoria Street London SW1	A block of 10-storey office building	Freehold	9,104	100%
110 Park Street, Mayfair London W1	A block of 5-storey office building	125-year lease from June 1996	2,600	100%
Apollo House and Lunar House Wellesley Road, Croydon London CR9	Two office buildings of 20 and 22 storeys	Freehold	41,040	100%
67 Lombard Street London EC3V 9LJ	A block of 10-storey office building	Freehold	8,699	100%
25 Ropemaker Street London EC2	A block of 21-storey office building	Freehold	55,857	100%
52 Lime Street London EC3M 7AF	A block of 36-storey office building	Freehold	36,846	100%

ADDITIONAL INFORMATION

31 DECEMBER 2022

DEVELOPMENT PROPERTIES

Location	Description	Land Tenure	Stage of completion	Site area (sq m)	Gross Floor Area (sq m)	Group's effective interest
Australia						
Broadbeach, Gold Coast	Mixed use site	Freehold	–	11,342	73,723	100%
Ripley Road, Ripley	Land (577 Lots)	Freehold	Construction stage	474,000	N.A.	100%
Collingwood Drive, Brisbane	Land (199 Lots)	Freehold	Construction stage	271,540	N.A.	100%
Leakes Road, Tarneit	Land (755 Lots)	Freehold	Construction stage	597,310	N.A.	100%
Park Ridge Road, Park Ridge	Land (310 Lots)	Freehold	Construction stage	211,600	N.A.	84%
Banks Pocket Road, Gympie	Land (133 Lots)	Freehold	Development approval	113,600	N.A.	100%
Algester Road, Calamvale	Land (49 Lots)	Freehold	Construction stage	32,100	N.A.	100%
Courtney Drive, Upper Coomera	Land (196 Lots)	Freehold	Development approval	185,500	N.A.	100%
Beaudesert Road, Parkinson	Land (76 Lots)	Freehold	Construction stage	80,960	N.A.	100%
Bayview Road, Victoria	Land (119 Lots)	Freehold	Construction stage	83,050	N.A.	100%
Mickleham Road, Mickleham Victoria	Land (674 Lots)	Freehold	Development approval	538,400	N.A.	100%
Dunhelen Land, Craigieburn Victoria	Land (1,156 Lots)	Freehold	Development approval	684,500	N.A.	100%
Tiuna Elwood, Victoria	14 apartments	Freehold	Construction stage	1,375	3,880	49%
Male Street Brighton, Victoria	19 apartments	Freehold	Construction stage	1,082	5,950	49%
Wollert, Victoria	Land (303 Lots)	Freehold	Development approval	157,600	N.A.	49%
Morayfield, Queensland	Land (66 Lots)	Freehold	Construction stage	41,130	N.A.	49%

PROPERTIES HELD FOR SALE

Location	Description	Land Tenure	Type of Development	Net Lettable/ Saleable Area (sq m)	Group's effective interest
Singapore					
Turquoise Cove Drive, Sentosa Cove	10 apartments	Leasehold – 99 years from 12 March 2007	Residential	3,322	90%
Seascape Cove Way, Sentosa Cove	79 apartments	Leasehold – 99 years from 9 June 2007	Residential	20,407	50%
Cape Royale Cove Way, Sentosa Cove	262 apartments	Leasehold – 99 years from 7 April 2008	Residential	56,515	35%
London					
Parliament View 1 Albert Embankment London SE 1	2 apartments	Freehold	Residential	271	100%
Goodman's Fields 37 Leman Street London E1 8EY	17 apartments	Leasehold – 999 years	Residential	708	100%
Canaletto City Road London EC1V 1AD	21 apartments	Leasehold – 999 years	Residential	1,048	100%

SHAREHOLDING STATISTICS

AS AT 6 MARCH 2023

SHARE CAPITAL

Class of shares	–	Ordinary shares with equal voting rights[@]
No. of subsidiary holdings	–	Nil
Voting rights	–	On a show of hands : 1 vote for each member
	–	On a poll : 1 vote for each ordinary share

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 6 March 2023, 20.78% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	16	0.25	371	0.00
100 – 1,000	2,298	35.95	2,228,897	0.32
1,001 – 10,000	3,206	50.16	14,414,317	2.05
10,001 – 1,000,000	844	13.20	47,284,621	6.72
1,000,001 and above	28	0.44	639,409,794	90.91
	6,392	100.00	703,338,000	100.00

@ Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. As at 6 March 2023, the Company has 39,321,600 shares held as treasury shares and this represents approximately 5.92% against the total number of issued shares excluding treasury shares as at that date.

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%**
1	Ho Bee Holdings (Pte) Ltd	499,558,500	75.23
2	DBS Nominees Pte Ltd	14,964,400	2.25
3	Citibank Nominees Singapore Pte Ltd	14,045,721	2.12
4	Raffles Nominees (Pte) Limited	11,128,374	1.68
5	Ow Chio Kiat	8,104,595	1.22
6	Phillip Securities Pte Ltd	7,516,454	1.13
7	Estate Of Chua Pin Chong, Deceased	5,783,750	0.87
8	Chua Thiam Chok	4,265,000	0.64
9	DB Nominees (Singapore) Pte Ltd	3,561,700	0.54
10	Yap Boh Sim	3,300,000	0.50
11	Chua Wee-Chern	3,004,000	0.45
12	Maybank Nominees (Singapore) Pte Ltd	2,200,000	0.33
13	Desmond Woon Choon Leng	2,100,000	0.32
14	Ong Chong Hua	1,920,000	0.29
15	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	1,788,000	0.27
16	Maybank Securities Pte. Ltd.	1,731,300	0.26
17	Chua Siow Ling (Cai Xiaolin) Mrs. Lim-Chua Siow Ling	1,699,900	0.26
18	Ho Bee Foundation	1,669,200	0.25
19	Tay Wan Huat	1,520,800	0.23
20	Kingdom Investment Holdings Pte Ltd	1,414,000	0.21
		591,275,694	89.05

** The percentage is calculated based on the number of issued ordinary shares of the Company as at 6 March 2023, excluding 39,321,600 shares held as treasury shares as at that date.

SHAREHOLDING STATISTICS

AS AT 6 MARCH 2023

SUBSTANTIAL SHAREHOLDERS AS AT 6 MARCH 2023

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares	%[1]	No. of Shares	%[1]
Ho Bee Holdings (Pte) Ltd	499,558,500	75.23	1,414,000[2]	0.21
Chua Thian Poh	–	–	501,819,150[3]	75.57

Notes:

(1) The percentage is calculated based on the number of issued shares of the Company as at 6 March 2023, excluding 39,321,600 shares held as treasury shares as at that date.

(2) Ho Bee Holdings (Pte) Ltd has a deemed interest in the 1,414,000 shares held by Kingdom Investment Holdings Pte. Ltd.

(3) Dr. Chua Thian Poh has a deemed interest in the 499,558,500 shares held by Ho Bee Holdings (Pte) Ltd, 1,414,000 shares held by Kingdom Investment Holdings Pte. Ltd. and 846,650 shares held by his spouse, Mdm Ng Noi Hinoy.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of Ho Bee Land Limited (the **"Company"**) will be held at NTU@one-north, Auditorium 302, 11 Slim Barracks Rise, Level 3, Singapore 138664 on Wednesday, 26 April 2023 at 10.30 a.m. to transact the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the financial year ended 31 December 2022 and the auditors' report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax-exempt dividend of 8 cents per share for the financial year ended 31 December 2022. **(Resolution 2)**

3. To approve Directors' fees of S$539,000 for the financial year ended 31 December 2022 (2021: S$491,670). **(Resolution 3)** **[Explanatory Note 1]**

4. To re-elect Mr. Ko Kheng Hwa, a director who will retire by rotation in accordance with Article 104 of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited and who, being eligible, has offered himself for re-election. **(Resolution 4)** **[Explanatory Note 2]**

5. To re-elect Mr. Seow Choke Meng, a director who will retire by rotation in accordance with Article 104 of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited and who, being eligible, has offered himself for re-election. **(Resolution 5)** **[Explanatory Note 3]**

6. To re-appoint KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following ordinary resolutions:

7. **Share Issue Mandate**

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

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

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

(b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this resolution was in force,

provided that:

(1) the aggregate number of the shares to be issued pursuant to this resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution), does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

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

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 7)
[Explanatory Note 4]

8. **Share Buyback Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchase(s) (each a "**Market Purchase**") transacted through the trading system of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by shareholders in a general meeting;

(c) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of a share over the last five market days on which the transactions of the shares are recorded on the SGX-ST, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the basis herein stated) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Highest Last Dealt Price**" means the highest price transacted for a share recorded on the market day on which there were trades in the shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**Maximum Price**" in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price; and

"**Prescribed Limit**" means the number of shares representing 5% of the total number of issued shares of the Company as at the date of passing of this resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

(Resolution 8)
[Explanatory Note 5]

9. To transact any other business as may properly be transacted at an annual general meeting.

By Order of the Board

Nicholas Chua Wee-Chern
Executive Director and Chief Executive Officer
Ho Bee Land Limited

28 March 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES AND STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S CONSTITUTION

1. **Resolution 3** is to seek approval for the payment of a total sum of S$539,000 as Directors' fees for the financial year ended 31 December 2022 to be paid to the Non-Executive Directors.

2. Mr. Ko Kheng Hwa is an Independent Director and the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee and Board Sustainability Committee. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr. Ko is set out in the sections "Board of Directors", "Corporate Governance" in the Annual Report and "Additional Information on Directors Seeking Re-Appointment/Re-Election" in this Notice.

3. Mr. Seow Choke Meng is an Independent Director and the Chairman of Remuneration Committee and a member of the Nominating Committee. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr. Seow is set out in the sections "Board of Directors", "Corporate Governance" in the Annual Report and "Additional Information on Directors Seeking Re-Appointment/Re-Election" in this Notice.

4. **Resolution 7** is to empower the Directors from the date of this resolution being passed until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares or to make or grant instruments convertible into shares, and to issue shares in pursuance of such instruments. The maximum number of shares and instruments which the Directors may issue shall not exceed the quantum set out in this resolution.

5. **Resolution 8** is to renew the Share Buyback Mandate, which was originally approved by shareholders on 29 April 2008 and was last renewed at the annual general meeting of the Company held on 21 April 2022. Please refer to the Letter to Shareholders dated 28 March 2023 for more details.

RECORD DATE AND PAYMENT DATE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that subject to shareholders of Ho Bee Land Limited (the "**Company**") approving the proposed payment of a first and final one-tier tax-exempt dividend of 8 cents per share for the financial year ended 31 December 2022 ("**Dividend**") at the Annual General Meeting to be held on 26 April 2023, the Register of Members and the Share Transfer Books of the Company will be closed at 5.00 p.m. on 15 May 2023 for the purpose of determining shareholders' entitlements to the Dividend.

Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 15 May 2023 will be registered before entitlements to the Dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 15 May 2023 will be entitled to the Dividend.

The Dividend, if approved by shareholders of the Company, will be paid on 25 May 2023.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. The Annual General Meeting will be held, in a wholly physical format, at NTU@one-north, Auditorium 302, 11 Slim Barracks Rise, Level 3, Singapore 138664 on Wednesday, 26 April 2023 at 10.30 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice and the accompanying proxy form **WILL NOT** be sent by post to members. These documents are published and accessible on the Company's website at the URL https://www.hobee.com/investors/annual-reports and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. The Company may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the Annual General Meeting as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Shareholders are advised to check regularly the Company's website at the URL https://www.hobee.com/investors/announcements or the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates.

3. Arrangements relating to attendance at the Annual General Meeting by shareholders, including CPF and SRS investors, submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the Annual General Meeting, addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting, and voting at the Annual General Meeting by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 28 March 2023. This announcement may be accessed at the Company's website at the URL https://www.hobee.com/investors/announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

4. (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 form of proxy.

   (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 form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

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

6. The instrument appointing a proxy or proxies must:

   (a) if sent by post, be received at Ho Bee Land Limited c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) if submitted by email, be received by Complete Corporate Services Pte Ltd at hobee-agm@ryt-poll.com,

   in either case, by no later than 10.30 a.m. on 23 April 2023, and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/RE-ELECTION

The following table sets out the additional information on Directors seeking re-appointment/re-election at the 35th Annual General Meeting pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

	KO KHENG HWA	SEOW CHOKE MENG
Date of appointment	1 May 2016	26 April 2017
Date of last re-appointment (if applicable)	29 April 2020	29 April 2020
Age	68	73
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the NC's recommendation for the re-election of Mr. Ko.	The Board concurred with the NC's recommendation for the re-election of Mr. Seow.
Whether appointment is executive, and if so, the area of responsibility	No	No
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Non-Executive Director • Chairman of the Audit and Risk Committee • Member of the Remuneration Committee • Member of the Board Sustainability Committee	• Independent Non-Executive Director • Chairman of the Remuneration Committee • Member of the Nominating Committee
Professional qualifications	Refer to Page 58	Refer to Page 60
Working experience and occupation(s) during the past 10 years	Refer to Page 11 and Page 58	Refer to Page 12 and Page 60
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/RE-ELECTION

	KO KHENG HWA	SEOW CHOKE MENG
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships		
Past (for the last 5 years)	iX Biopharma Ltd.	Focus Publishing Ltd Hi-P International Limited Times Properties Pte Ltd
Present	SG Advisory Pte Ltd Scale Up Pte Ltd Envision Digital International Pte Ltd AIMS APAC REIT Management Limited (Manager of the listed AIMS APAC REIT)	Ho Bee Foundation Invest Healthcare Pte Ltd Kwong Wai Shiu Hospital Life-Medic Healthcare Supplies Pte Ltd National Skin Centre Health Fund Orange Valley 3-T Rehab Pte Ltd Orange Valley Nursing Homes Pte Ltd Orange Valley Properties Pte Ltd Straco Leisure Pte Ltd Straits Silver Care Pte Ltd Singapore Nutri-Diet Industries Pte Ltd Sin Chew Jit Poh (Singapore) Ltd Times Development Pte Ltd TTSH Community Fund
Responses to Sections (a) to (k) under Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited.	Negative confirmation	Negative confirmation

HO BEE LAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198702381M

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT NOTES:

1. The 35th Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at NTU@one-north, Auditorium 302, 11 Slim Barracks Rise, Level 3, Singapore 138664 on Wednesday, 26 April 2023 at 10.30 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually**. Notice of AGM dated 28 March 2023 and this proxy form are published on the Company's website at the URL https://www.hobee.com/investors/annual-reports and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Arrangements relating to attendance at the AGM by shareholders, including CPF and SRS investors, submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, and voting at the AGM by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 28 March 2023. This announcement may be accessed at the Company's website at the URL https://www.hobee.com/investors/announcements and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. 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 CPF and SRS investors. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 14 April 2023.
4. By submitting an instrument appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 March 2023.

I/We ______________________________ (Name), ______________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a member/members of Ho Bee Land Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				

or failing him/her/them, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at NTU@one-north, Auditorium 302, 11 Slim Barracks Rise, Level 3, Singapore 138664 on Wednesday, 26 April 2023 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against and/or to abstain from voting on the resolutions to be proposed at the AGM as indicated below. In the absence of specific directions in respect of a resolution, the proxy/proxies will vote or abstain from voting as he/she/they may think fit, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

(Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish your proxy/proxies to exercise some of your votes "For" and some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided below.)

Ordinary Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Routine Business			
Resolution 1: To receive and adopt the Directors' statement and audited financial statements for the financial year ended 31 December 2022 and the auditors' report thereon.			
Resolution 2: To declare a first and final one-tier tax-exempt dividend of 8 cents per share for the financial year ended 31 December 2022.			
Resolution 3: To approve Directors' fees of S$539,000 for the financial year ended 31 December 2022 (2021: S$491,670).			
Resolution 4: To re-elect Mr. Ko Kheng Hwa as director.			
Resolution 5: To re-elect Mr. Seow Choke Meng as director.			
Resolution 6: To re-appoint KPMG LLP as auditors and to authorise the Directors to fix their remuneration.			
Special Business			
Resolution 7: To approve the authority to issue shares and make or grant instruments convertible into shares.			
Resolution 8: To approve the renewal of the Share Buyback Mandate.			

Dated this ______________ day of ______________ 2023.

Total Number of Ordinary Shares Held (Note 1)	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Glue all sides firmly. Stapling & spot sealing are disallowed.

Glue all sides firmly. Stapling & spot sealing are disallowed.

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Glue firmly. Do not staple or spot seal.

HO BEE LAND LIMITED
PROXY FORM
Annual General Meeting

Affix
Postage
Stamp

HO BEE LAND LIMITED
c/o Complete Corporate Services Pte Ltd
10 Anson Road
#29-07 International Plaza
Singapore 079903

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NOTES TO PROXY FORM

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (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 form of proxy.

   (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 form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

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

4. The instrument appointing a proxy or proxies must:

   (a) if sent by post, be received at Ho Bee Land Limited c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) if submitted by email, be received by Complete Corporate Services Pte Ltd at hobee-agm@ryt-poll.com,

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   in either case, by no later than 10.30 a.m. on 23 April 2023, and in default the instrument of proxy shall not be treated as valid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies to the meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

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

9. The Company shall be entitled to reject an instrument of proxy which 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 of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Glue firmly. Do not staple or spot seal.

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHUA THIAN POH
Executive Chairman

NICHOLAS CHUA
Executive Director and
Chief Executive Officer

ONG CHONG HUA
Executive Director and
Chief Operating Officer

LIM SWEE SAY
Lead Independent Director

KO KHENG HWA
Independent Non-Executive Director

SEOW CHOKE MENG
Independent Non-Executive Director

JOSEPHINE CHOO
Independent Non-Executive Director

PAULINE GOH
Independent Non-Executive Director

BOBBY CHIN
Non-Independent Non-Executive Director

MANAGEMENT TEAM

CHONG HOCK CHANG
Group Director, Projects and Marketing

MICHAEL VINODOLAC
Chief Executive Officer, Australia

JOSEPHINE LEE
Finance Director

LOH LEE HONG
General Manager,
Sales and Marketing

KATHARINE KUM
General Manager,
Projects and Property Management

AUDIT & RISK COMMITTEE

KO KHENG HWA
Chairperson

BOBBY CHIN

JOSEPHINE CHOO

PAULINE GOH

LIM SWEE SAY

NOMINATING COMMITTEE

JOSEPHINE CHOO
Chairperson

CHUA THIAN POH

BOBBY CHIN

SEOW CHOKE MENG

LIM SWEE SAY

REMUNERATION COMMITTEE

SEOW CHOKE MENG
Chairperson

BOBBY CHIN

KO KHENG HWA

PAULINE GOH

BOARD SUSTAINABILITY COMMITTEE

PAULINE GOH
Chairperson

LIM SWEE SAY

JOSEPHINE CHOO

KO KHENG HWA

COMPANY SECRETARY

JOSEPHINE LEE

COMPANY REGISTRATION NO.

198702381M

REGISTERED OFFICE

9 North Buona Vista Drive
#11-01 The Metropolis Tower 1
Singapore 138588
Tel: (65) 6704 0888
Fax: (65) 6704 0800
Website: www.hobee.com

SHARE REGISTRAR

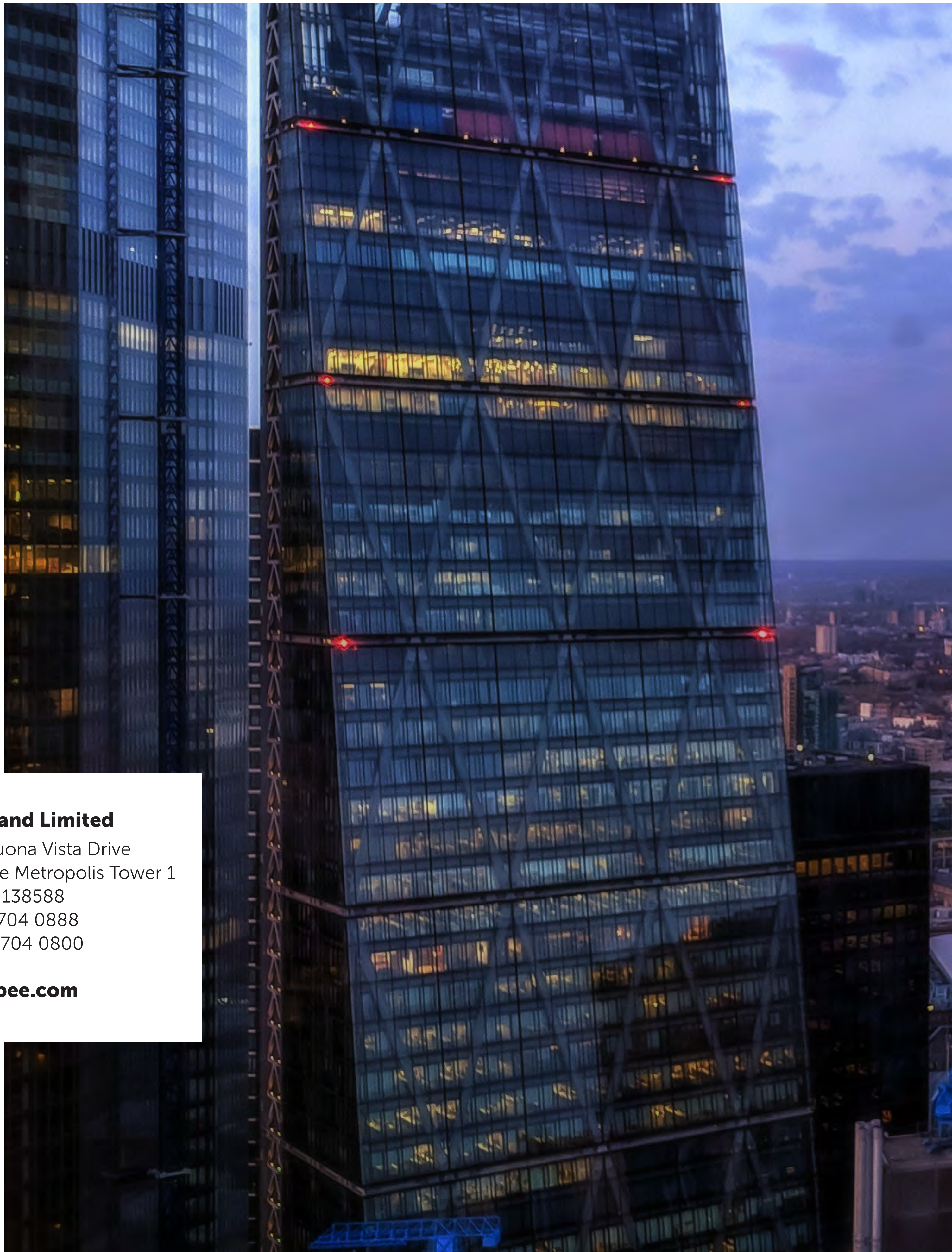
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

EXTERNAL AUDITORS

KPMG LLP
Public Accountants and Chartered
Accountants Singapore
Partner-In-Charge:
Ms Shelley Chan Hoi Yi (since 2020)
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

INTERNAL AUDITORS

CLA Global TS Risk Advisory Pte. Ltd.
(formerly known as Nexia TS Risk
Advisory Pte. Ltd.)
80 Robinson Road #25-00
Singapore 068898



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