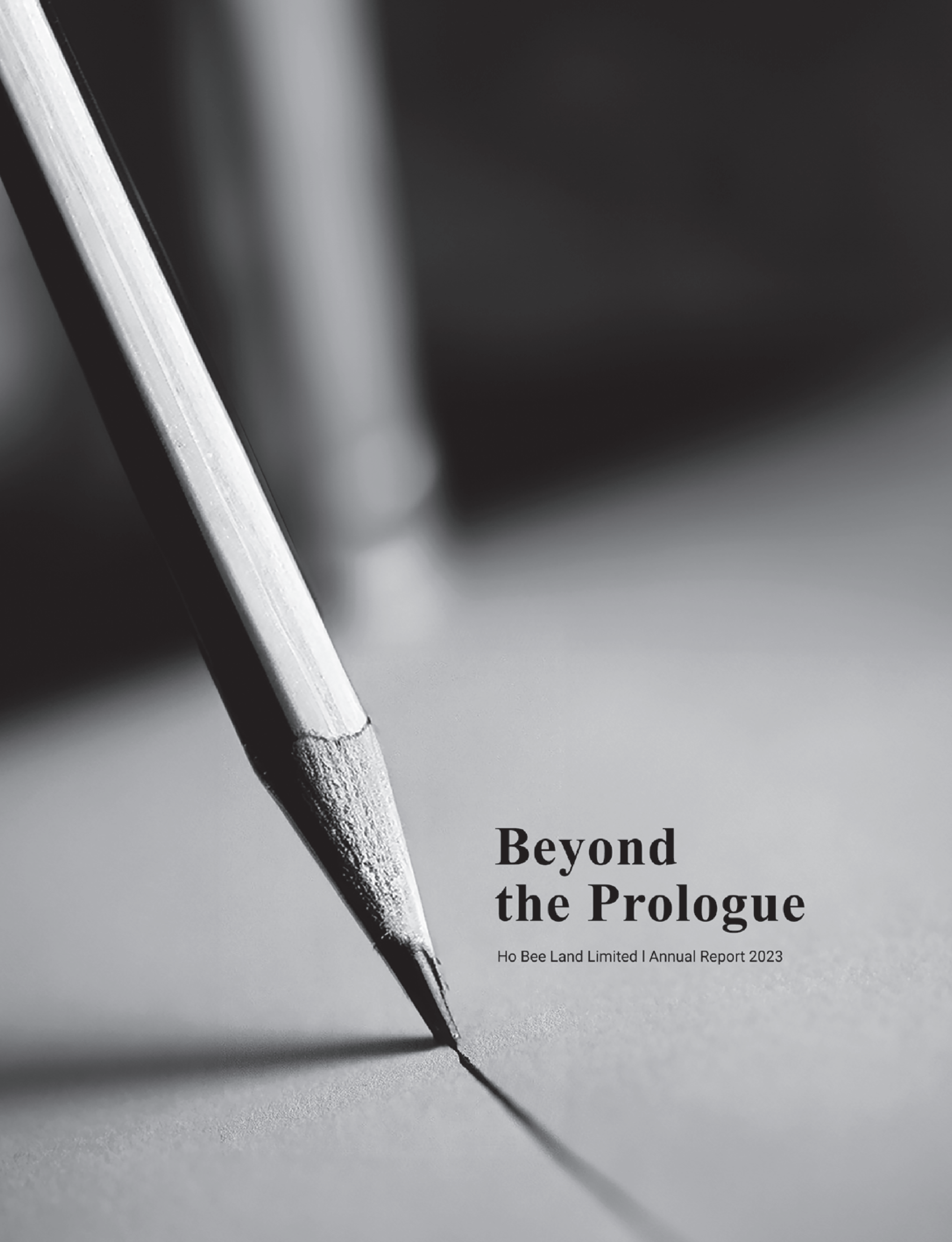


Beyond the Prologue

Ho Bee Land Limited | Annual Report 2023

BEYOND THE PROLOGUE

The metaphorical use of a pencil on the cover signifies Ho Bee Land's journey and steadfast dedication to continuous improvement, innovation, and adaptability. In the spirit of maintaining precision, akin to sharpening a pencil, we consistently hone our strategies and operations to ensure effectiveness and relevance. The illustrations embody creativity and forward-thinking, with each pencil stroke symbolising a new idea, an innovative solution, or a creative endeavour.

The pencil illustrations throughout the report sketch out our journey as a comprehensive narrative, characterised by consistent growth, creativity, and the ability to make a lasting impact.

CORPORATE PROFILE

Ho Bee Land Limited was listed on the Mainboard of the Singapore Exchange in 1999. Headquartered in Singapore, Ho Bee has property investments and developments in Singapore, Australia, China, the United Kingdom and Germany. The company has a portfolio that covers many quality residential and commercial projects since its establishment in 1987.

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 facility recently completed at the end of 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.

CONTENTS

CHAPTER 1: SCRIPTING OUR NEXT JOURNEY

Chairman and CEO Statement 04
Performance at a Glance 06

CHAPTER 2: SHARPENING MINDS, SHAPING OUTCOMES

Board of Directors 10
Management Team 13
Our Presence 14

CHAPTER 3: INNOVATING FOR THE FUTURE

Project Update 18
Future Pipeline 20

CHAPTER 4: EMBRACING THE GREEN CANVAS

Sustainability Summary Report 24

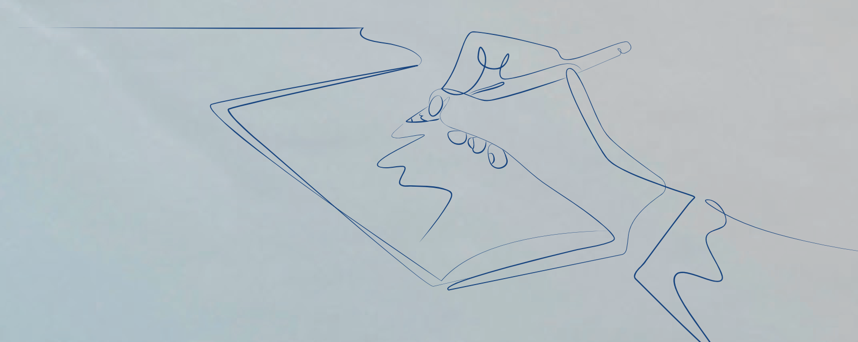
CHAPTER 5: WRITING THE NEXT CHAPTER

Corporate Structure 32
Corporate Governance 33
Financial Statements 62
Additional Information 146
Shareholding Statistics 148
Corporate Information

CHAPTER 1

SCRIPTING OUR NEXT JOURNEY

Much like a skilled scriptwriter crafting the next act of a compelling chapter, we outline our vision and strategies, envisioning the plot twists, challenges, and triumphs. We are well-prepared to navigate the opportunities and obstacles that lie ahead. This serves as a guide to our forward journey, illuminating the path we are scripting towards continued success.



CHAIRMAN AND CEO STATEMENT

DEAR SHAREHOLDERS,

2023 has been our most challenging year in the last decade. We faced a rapid increase in financing costs that impacted our bottom line and a significant unrealised fair value loss to our office portfolio in London. Nevertheless, we remain operationally profitable as we have developed a robust business model over the years. In calm or stormy times, we remain committed to preserving and growing shareholders' value.

FOCUS ON OPERATING EARNINGS: A BEACON IN THE STORM

Our annual report's theme this year, "Beyond the Prologue," is about a shift beyond simple introductions to embrace the heart of our story. At the core, our journey has been characterised by our continued pursuit of excellence and evolution, built on a solid foundation of a sustainable income stream.

In FY2023, the Group's revenue grew to S$444.9 million (FY2022: S$435.6 million), which was contributed mainly by increased development sales in Australia and the resilient rental income across our investment properties.

Our London properties recorded a fair value loss of S$472.2 million in FY2023 due to an increase in interest rate, leading to a corresponding expansion of capitalisation rates. The high interest rates have significantly increased our financing costs, which rose from S$88.0 million in FY2022 to S$157.7 million in FY2023.

As a result, the loss attributable to owners of the Company was S$259.8 million in FY2023, compared to a profit of S$165.9 million in FY2022. This translates to a loss per share of 39.13 cents (FY2022: earnings per share of 24.98 cents). However, if we were to focus on our core operations, we continued to record positive operating earnings in FY2023 of S$143.2 million (FY2022: S$198.0 million).

INVESTMENT STRATEGY: NAVIGATING THE JOURNEY

Despite our fair value losses this year, we remained sanguine because our investment strategy has always been built on patience, prudence, and a longer-term perspective. Our focus is the continued profitability of our business based on its core operations and less on the fair value adjustments that may be positive in some years and negative in others. Over the years, we have carefully cultivated a diversified investment and development portfolio across selected geographies, remaining steadfast in our commitment to growing shareholders' value.

Whether our investments in UK commercial properties or our ventures closer to home in Singapore, one of our greatest assets lies in the diversity of our earnings. This diversification underpins our financial health, providing stability in uncertain times. We outline a brief overview of the rest of our businesses below, and more details can be found in our Financial Report on page 72.

SINGAPORE

In Singapore, our portfolio recorded a stable net fair value gain of S$108.3 million in FY2023, a slight increase from S$103.2 million the previous year. Our flagship Grade A office building, The Metropolis, continues to anchor our rental income here, which remained stable at S$103.1 million in FY2023 (FY2022: S$101.8 million). With exclusivity, quality, and a premier location, our residential projects in Sentosa Cove generated positive sales momentum. Sales revenue from Turquoise, Seascape, and Cape Royale totalled S$287.3 million (FY2022: S$312.7 million).

In December 2023, we witnessed the completion of our flagship biomedical life-sciences facility, Elementum. Located in the heart of one-north and adjacent to The Metropolis, approximately 90% of the building has already been committed for lease. The rental income generated will help bolster our revenue starting from FY2024 and beyond. This Green Mark Platinum-certified development is also integrated with the Buona Vista node of the Rail Corridor, providing amenities and green spaces for our tenants in Elementum and Metropolis, and the community.

OVERSEAS PORTFOLIO

In the UK, we have eight prime office buildings in London, representing an investment of £1.7 billion. We may encounter some storms now, but our high-quality London investment properties are well-occupied and positioned to continue contributing positively to our earnings in the coming years. Indeed, despite the headwinds in the commercial real estate sector, our rental income from our London portfolio remained stable at £91.6 million in FY2023 (compared to £92.2 million in FY2022).

In China, more than 98% of our joint venture projects have been sold and therefore, our exposure is contained. In 2023, our revenue dropped to RMB154.8 million, compared to RMB1.0 billion in 2022, due to fewer units being handed over to buyers. We recorded an overall loss of RMB48.6 million for the China portfolio, compared to a profit of RMB154.2 million in FY2022, primarily due to the provision made for the Tianjin project. In response to the challenging market, our joint venture entity made an early decision to adjust the sales price of this project downwards and, as a result, successfully sold out all the apartments.

Our master-planned residential communities in Australia continued to deliver strong results. Over 550 land lots in Queensland and Victoria were handed over to buyers. Our total revenue in Australia amounted to A$212.5 million in FY2023, a notable increase from A$123.9 million in FY2022. We remain positive about our Australian business with a land bank of over 3,000 lots in the pipeline.

BUILDING RESILIENCE THROUGH UNCERTAIN TIMES

Although the future may be uncertain, one thing remains clear: our unwavering commitment to our shareholders. The Company's investment portfolio in London and Singapore has maintained strong occupancy rates, which, along with our Australian development pipeline, positions us well to navigate the headwinds and weather potential challenges.

In 2023, we strengthened our balance sheet by reducing our net debt from S$3.42 billion to S$3.06 billion. Given the ongoing geopolitical tensions and the elevated interest rate environment, we will continue to be disciplined and exercise financial prudence.

At the core, our journey has been characterised by our continued pursuit of excellence and evolution, built on a solid foundation of a sustainable income stream.

CHUA THIAN POH
Executive Chairman

NICHOLAS CHUA
Chief Executive Officer

As we build towards a better future, we believe in protecting the environment and improving sustainability in our portfolio to deliver long-term value to our stakeholders. Our Board Sustainability Committee has been working closely with the Management to monitor ESG factors material to our business. We have made capital investments to enhance the energy efficiency of our various properties. As a result, we have reduced greenhouse gas emissions by 7% and electricity intensity by 15% in our portfolio this year.

Working towards net zero by 2050, we have set a short-term climate target of 18% emission reduction by FY2026. For the first time, we also published our first qualitative climate scenario analysis within our sustainability report to help us make informed decisions around our portfolio's climate-related risks and opportunities. More details can be found in our full Sustainability Report online at www.hobee.com.

PROPOSED DIVIDEND

The Board is pleased to recommend a first and final dividend of 3 cents per share for FY2023. Subject to shareholders' approval at the Company's Annual General Meeting to be held on 26 April 2024, the dividends will be paid on 24 May 2024.

ACKNOWLEDGEMENTS

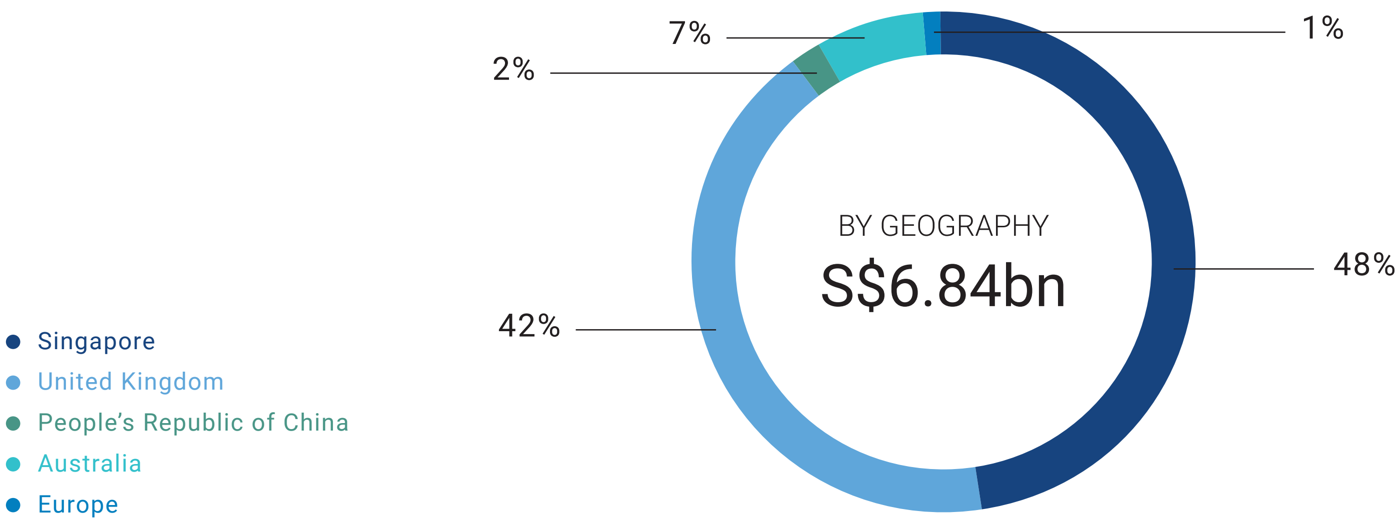
In closing, we express our deepest gratitude to all of you – our shareholders, customers, partners, board members and the dedicated staff at Ho Bee Land. Together, we have built something extraordinary and remain excited about the journey ahead. On behalf of the Board and the Management, we wish everyone a healthy and successful year.

CHUA THIAN POH
Executive Chairman

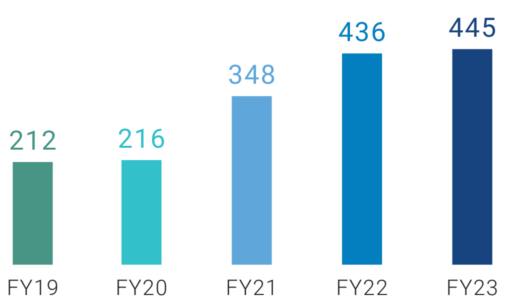
NICHOLAS CHUA
Chief Executive Officer

PERFORMANCE AT A GLANCE

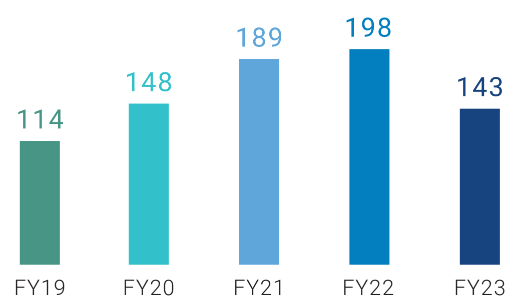
PROPERTY PORTFOLIO



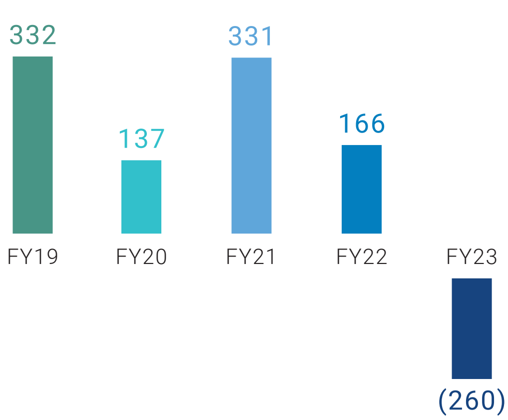
TURNOVER
(S$ million)



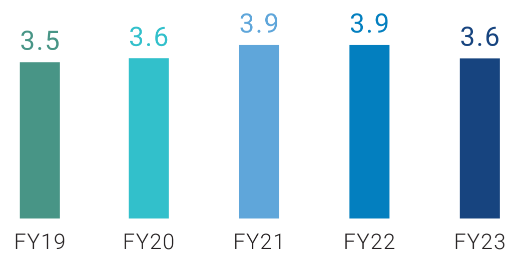
PROFIT FROM OPERATIONS
(S$ million)



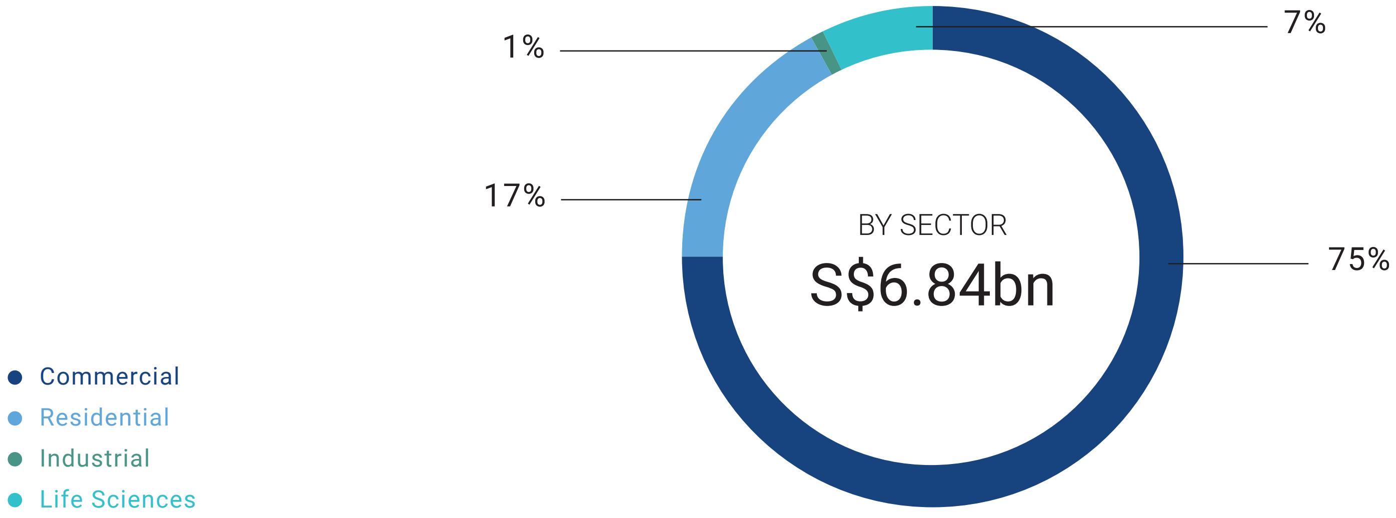
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
(S$ million)



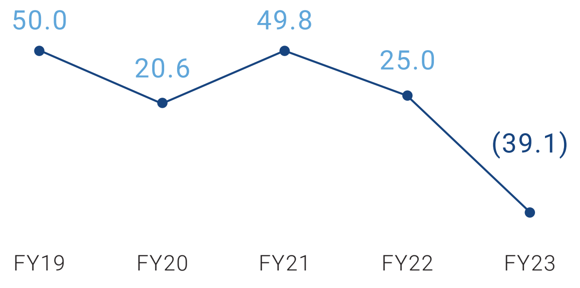
SHAREHOLDERS' EQUITY
(S$ billion)



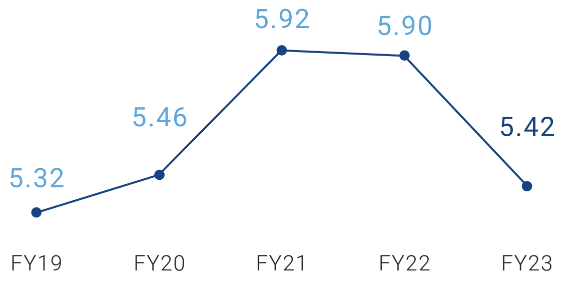
PROPERTY PORTFOLIO



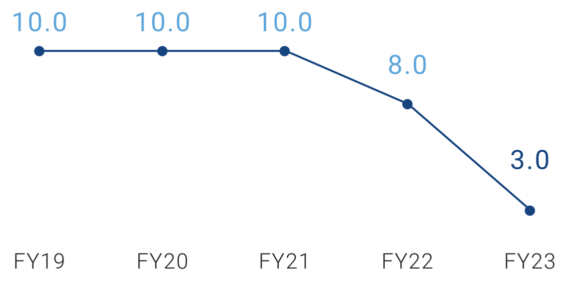
EARNINGS PER SHARE
(Cents)



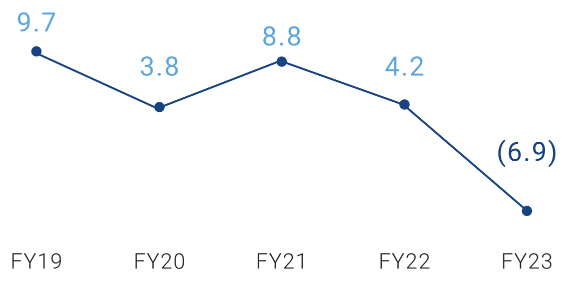
NET ASSET VALUE PER SHARE
(S$)

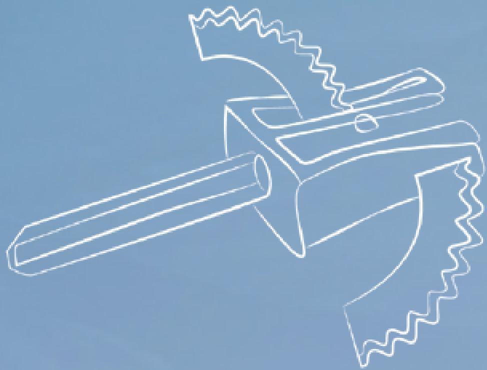


DIVIDEND PER SHARE
(Cents)



RETURN ON EQUITY
(%)





CHAPTER 2

SHARPENING MINDS, SHAPING OUTCOMES

We explore the synergy between knowledge and achievement, highlighting how our commitment to learning, and continuous improvement has honed our skills to a fine point. Our journey is a testament to the belief that a sharp mind is the ultimate tool for crafting success, where our sharpened minds become the catalyst for brighter horizons and even greater achievements.

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 President of the Singapore Federation of Chinese Clan Associations, Singapore Chinese Chamber of Commerce & Industry, and Singapore Hokkien Huay Kuan. He is also the Honorary Chairman of the Bishan East Citizens' Consultative Committee, Ren Ci Hospital and Singapore Thong Chai Medical Institution.

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 and 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 and the United Kingdom.

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 Advisor of the National Trades Union Congress (NTUC), the Chairman of the NTUC-Administration & Research Unit Board of Trustees, a Director and an Advisor 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 Univers Pte Ltd, a global green technology company. He also serves as a Senior/Expert Advisor to other companies.

Mr Ko had held various public sector leadership positions, including 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

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 Chairman of Ren Ci Hospital, Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry and Honorary Director of Kwong Wai Shiu Hospital. His directorships include Chinese Development Assistance Council Board of Trustee, Straco Leisure Pte. Ltd. and Hi-P International 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.

PAULINE GOH
Independent Non-Executive Director

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 helped to build the brand into the leading real estate services firm across Southeast Asia today.

Ms Goh is currently a Director of the Singapore Institute of Directors and NTUC Health for Life Fund Ltd.. She is also the Chairman of Catholic Foundation Limited, an Honorary Real Estate Consultancy Advisor of Real Estate Developers Association of Singapore (REDAS) and 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.

BOBBY CHIN
Non-Independent Non-Executive Director

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 a Fellow Member of the Institute of Chartered Accountants in England and Wales and Distinguished Lifetime Member of Institute of Singapore Chartered Accountants.

Mr Chin was Chairman of Urban Redevelopment Authority from 2001 to 2006, Chairman of Singapore Totalisator Board from 2006 to 2012, and Chairman of the Housing & Development Board from 2016 to 2023. 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 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, Frasers Property Limited and Singapore Health Services Pte. Ltd..

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 ASX-listed 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.

LI XIANGRUN
Head of Finance

Mr Li Xiangrun joined Ho Bee Land as Head of Finance in June 2023. In December 2023, he was also appointed as Company Secretary. Mr Li has nearly 20 years of experience in corporate finance, having worked in various global financial institutions. He oversees the Group's corporate finance, sustainability, financial reporting, treasury, risk management, tax, legal, corporate governance, and investor relations.

Before joining Ho Bee Land, Mr Li was an investment banker at BNP Paribas, Standard Chartered, and UBS, where he was responsible for leading real estate advisory transactions across mergers and acquisitions, equity capital raisings, debt capital raisings, and sustainability-linked real estate financings across Asia. Mr Li has been based in Singapore, Hong Kong, and Shanghai throughout his career.

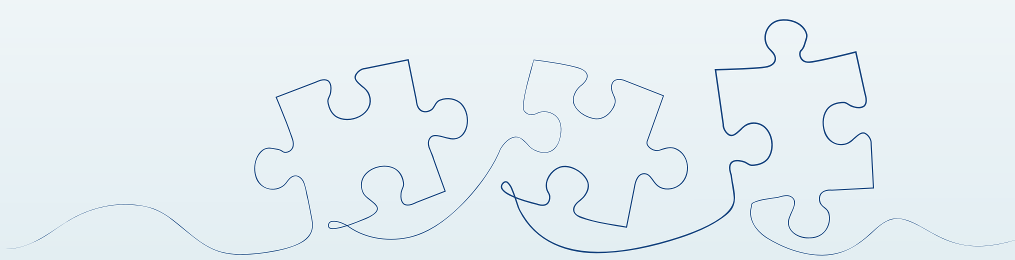
Mr Li holds a Master of Business Administration (Distinction) from Imperial College Business School, a Master of Science in Global Finance from New York University's Leonard N. Stern School of Business and Hong Kong University of Science & Technology Business School, and a Bachelor of Science in Economics (Summa Cum Laude) from Singapore Management University. He is also a member of the Institute of Singapore Chartered Accountants.

LOH LEE HONG
General Manager, Sales and Marketing

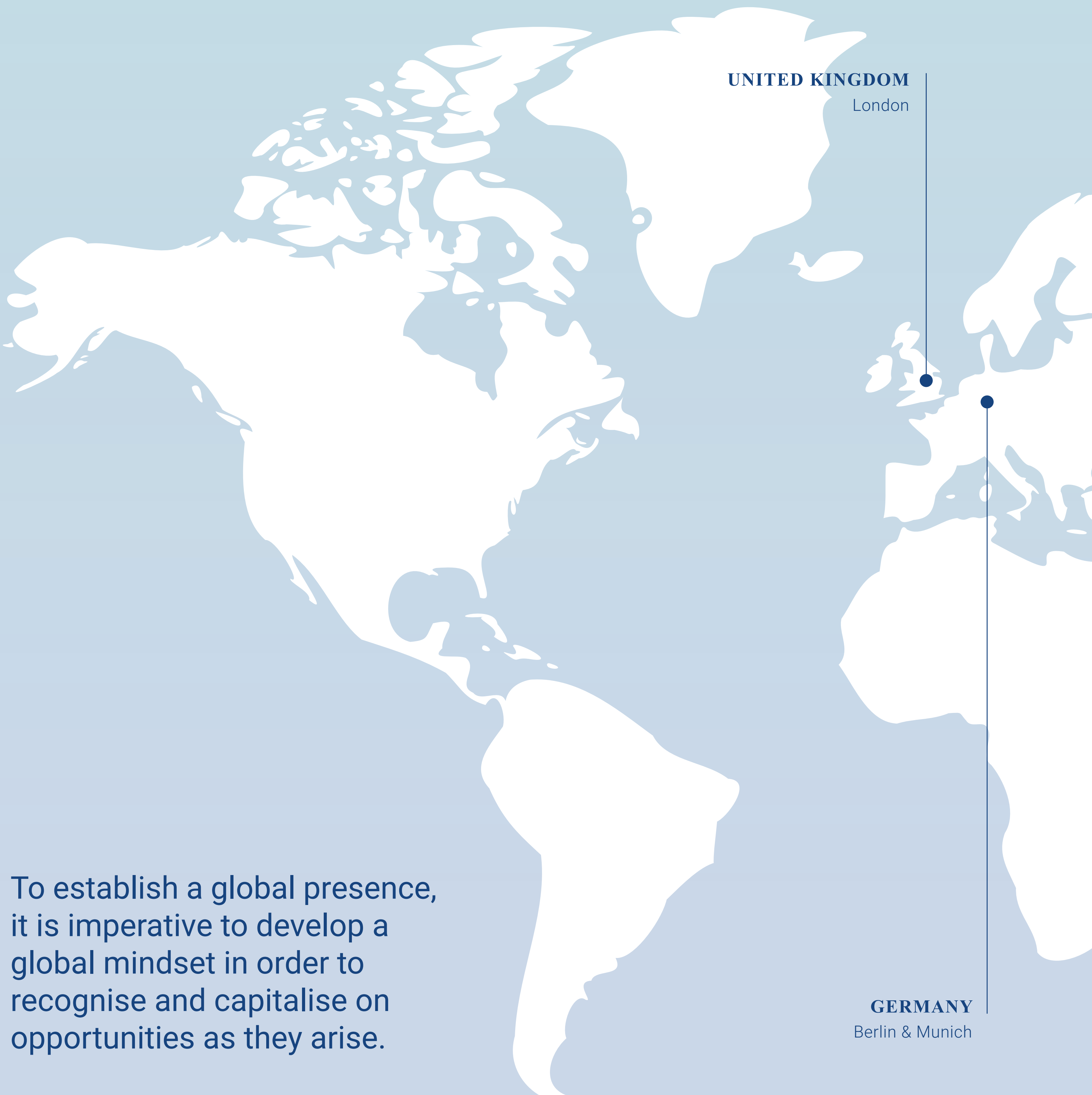
Ms Loh Lee Hong joined Ho Bee Land as General Manager, Sales and Marketing in February 2022.

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.



OUR PRESENCE



To establish a global presence, it is imperative to develop a global mindset in order to recognise and capitalise on opportunities as they arise.


CHINA
Nanjing, Shanghai, Tangshan, Tianjin, Zhuhai
SINGAPORE
AUSTRALIA
Queensland & Victoria

CHAPTER 3

INNOVATING FOR THE FUTURE

With the completion of Elementum, we embrace innovation in every aspect of our company's achievement, much like every written word, infusing fresh ideas and creativity. Our commitment to inventive thinking and innovative solutions is the driving force behind our story.

PROJECT UPDATE

ELEMENTUM

Our state-of-the-art biomedical sciences hub, Elementum, was completed in December 2023. Elementum is strategically located within one-north, a vibrant 200-hectare research and business park master-planned district for innovation and business growth. Designed by Skidmore, Owings & Merrill and DCA Architects, the 12-storey development with approximately 374,000 square feet of dedicated biomedical business park space, and additional spaces for retail and F&B, features cutting-edge laboratory designs and future-ready offices, creating an ecosystem that fosters next-generation research.

As a testament to our commitment to sustainability, Elementum has achieved BCA Green Mark Platinum certification. Located adjacent to The Metropolis, this development is also integrated with the Buona Vista node of the Rail Corridor. We are glad to partner with NParks and JTC to develop this node and provide amenities and green spaces for the community and our tenants at The Metropolis and Elementum.

One of our key highlights at Elementum is the establishment of exciting partnerships, including collaborating with ACROMETA's Life Science Incubator to manage a co-working laboratory centre within the development. Approximately 90% of Elementum has already been committed for lease, and it is expected to contribute to our revenue starting from FY2024.

SINGAPORE

FUTURE PIPELINE

AUSTRALIA

VICTORIA
WOODSONG – MICKLEHAM

The 700-lot residential community known as Woodsong, is located in the sought-after suburb of Mickleham, in Melbourne's North. With the Melbourne CBD only 29km away and the thriving suburb of Craigieburn within 2km, this infill suburb is ideally positioned. The project was successfully launched in May 2023, with sales volumes exceeding expectations. Stage 1 is sold out and Stage 2 is 65% sold. Construction is underway across the first stages and completion is due late 2024.

QUEENSLAND
CALLI – UPPER COOMERA

The 18.5ha site is located in Upper Coomera, just 25km from the Gold Coast CBD and 55km from the Brisbane CBD. Upon completion, the project will deliver 196 residential lots, positioned near multiple schools, restaurants and shopping areas, including the landmark Westfield Centre, only a 10-minute drive away. With quality residential land being so rare on the Gold Coast, this site is well-positioned to take advantage of the significant demand in the region. The sales launch is scheduled for early 2024.

VICTORIA
UNITY PARK – TARNEIT

Unity Park is a 755-lot residential subdivision located in Melbourne's western growth corridor of Tarneit. With close to half of the project completed, the community park delivered and the government school under construction, the community is taking shape. Unity Park's proximity to local shopping, education, transport and recreation, has made it one of the fastest-selling residential communities in Tarneit, since its launch in October 2021.

QUEENSLAND
TILLERMAN – PARK RIDGE

The 21.16 hectare site is located 35km from the Brisbane CBD within the major growth area of Logan City Council. Since its launch in April 2023, Tillerman has proved to be extremely popular. Stages 1 to 5 are sold out and Stage 6 will be launched in the second quarter of 2025. Stages 1 and 2 are complete, and Stages 3 and 4 are under construction. Upon completion, the project will deliver over 300 home sites and a one-hectare regional park for future residents.

CHAPTER 4

EMBRACING THE GREEN CANVAS

As we embark on our journey in pursuit of sustainability, each sustainable initiative becomes a stroke on a canvas, portraying our dedication to responsible practices and environmental stewardship. This canvas represents our commitment to reducing our ecological impact, fostering community building and advancing sustainable development. Every mindful decision adds vibrant hues to this evolving narrative, illustrating a story of resilience, conservation, and innovative progress. Our sustainability commitment is more than a singular chapter; it's a continually unfolding narrative, inviting everyone to join in crafting a greener, more sustainable world.

SUSTAINABILITY REPORT

BOARD STATEMENT

At Ho Bee Land ("Ho Bee" or the "Company"), we are driven by our mission to enhance the lives of the people and communities we interact with and the environment we live in. Our environment, social and governance ("ESG") strategy amplifies this mission through our key pillars: Enhancing Economic Value, Contributing to a Sustainable Environment, Developing our People, Enriching our Communities, and Strengthening Corporate Governance.

Aligned with our mission, we are proud to present our sustainability efforts, initiatives, performance, and achievements in the Ho Bee's Sustainability Report ("Report") for the financial year 1 January to 31 December 2023 ("FY2023"). This report demonstrates our commitment to ensure sustainability is embedded in all our business and financial strategies and planning processes.

The Board plays a pivotal role in driving sustainability across the Company. We proactively weigh our ESG risks and opportunities when making business decisions. We also determine and manage material ESG factors that would directly and indirectly impact our business in the long term. In FY2023, we reviewed our ESG factors to ensure they accurately represent the risks and opportunities to our business strategy and our impacts in the broader society. We have made a deliberate effort to concentrate resources and efforts to enhance our environmental performance as we are keenly aware of the environmental impact of the real estate sector. In addition, we will work closely with the management team to ensure that all the ESG factors are monitored and reviewed on an ongoing basis.

In FY2023, we continued to champion our sustainability mission by looking at practical ways to decarbonise our property portfolio and track our progress against our business and environmental targets. Together with an external partner, we set ambitious but practical short-term decarbonisation targets. We took guidance from the Science Based Targets initiative ("SBTi") and considered our resources, financial feasibility, and technologies available in the market. We are reviewing our portfolio to develop a medium-term decarbonisation target, which we will disclose in due course. These targets are set to support our aim to reach our long-term goal of net zero by 2050. The Board will continue to monitor all targets set through quarterly reviews and drive action plans to achieve targets.

We conducted our first climate risk assessment in FY2022 to further strengthen our climate resilience. The analysis was conducted per the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). In FY2023, we continued to monitor and review the results as disclosed in our sustainability report.

To support our decarbonisation target and enhance climate resilience, we reviewed the building efficiency of our properties and obtained a green certificate where possible in FY2023. We are proud to share that our flagship property in Singapore, The Metropolis, has retained BCA's Green Mark Platinum certification, and two of our properties in the United Kingdom, The Scalpel and Ropemaker Place, have retained their BREEAM ("Building Research Establishment Environmental Assessment Method") "Excellent" sustainability rating in the year. Our continuous efforts in greening our portfolio have helped us secure green loans and lower our cost of capital. In FY2023, we secured a £376 million Green loan for Ropemaker Place and $450 million Green loan for The Metropolis. Going forward, we will continue to seek opportunities to invest in and develop greener and more sustainable properties.

In FY2023, the global sustainability landscape continued to evolve rapidly, with a new reporting standard, IFRS Sustainability Disclosure Standards, unveiled by the International Sustainability Standards Board ("ISSB"). The Board and Management have undergone capacity-building exercises to better prepare ourselves for the new standard and other emerging ESG trends. In this Report, we are pleased to share a perspective of our sustainability strategies and plans with our stakeholders.

As we look forward to the next year, we are mindful of the heightened uncertainties in the global markets and geopolitical environment, which would impact both business outlook and sustainability progress. However, we are cautiously optimistic about global and sectoral commitments towards decarbonisation and climate actions. With the foundations laid across the last few years, we are confident that Ho Bee is in a strong position to deliver business values in both property development and investment segments and set leading and positive practices as a sustainable real estate organisation.

On behalf of the Ho Bee's Board and Management, we would like to extend our appreciation and gratitude to our stakeholders for supporting us on our journey to build a better future for our people, communities, and the environment.

Nicholas Chua
Chief Executive Officer

FY2023 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Set short-term climate target of

18%

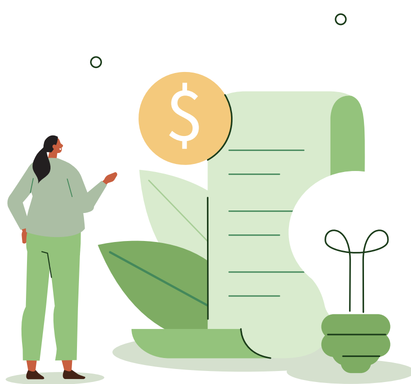
emission reduction

by FY2026 with a baseline year of FY2023

Developed our

1st

qualitative climate scenario analysis to help us make informed decisions around our property portfolio's climate-related risks and opportunities



Secured

£376 million

Green loan for Ropemaker Place in London,

$450 million

Green loan for The Metropolis in Singapore

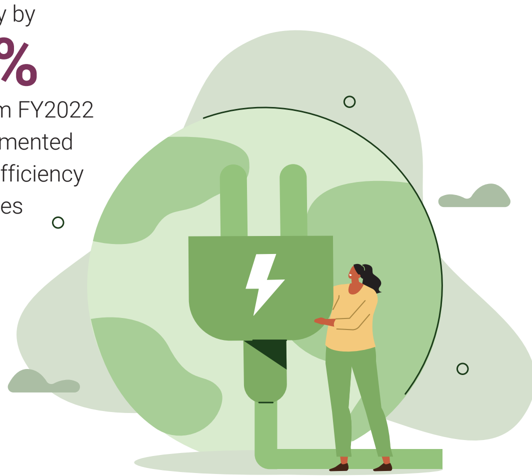
Reduced total Greenhouse Gas ("GHG") emissions by

7%

Reduced electricity intensity by

15%

in FY2023 from FY2022 as we implemented new energy efficiency initiatives



Increased average training hours per employee by

57%

in FY2023 from FY2022

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Ho Bee Land ("Ho Bee" or the "Company") has developed annual sustainability reports since 2017. We are pleased to present the Company's seventh annual Sustainability Report (the "Report") for the financial year 1 January 2023 till 31 December 2023 (the "FY2023" or "reporting period").

Our Sustainability Report covers the Company's environmental, social and governance ("ESG") strategies, initiatives, and performance that are material to our operations and stakeholders. All ESG data are focused on our operations in Singapore, where Ho Bee is headquartered, and key investment properties in London, United Kingdom unless otherwise stated. The four investment properties in the Report are:

1. The Metropolis, Singapore
2. 1 St Martin's Le Grand, UK
3. Ropemaker Place, UK
4. The Scalpel, UK

Ho Bee also reviewed our remaining investment properties in London and concluded that they do not materially impact our ESG performance and will be excluded from our current reporting scope. We will continue to monitor these properties and include them when they become material.

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 factors. Please refer to the GRI Content Index within our report online 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, 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 factors 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.

Our Sustainability Report is published annually as part of our reporting to Shareholders.

We welcome feedback from our stakeholders as we continuously improve our sustainability performance, reporting, and progress in our sustainability journey.

SUSTAINABILITY AT HO BEE LAND

Our sustainability mission is supported by five pillars (collectively known as our "sustainability strategy"): 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

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

SUSTAINABILITY REPORT

remain cognisant of our activities' social, ethical, and environmental impacts.

Our Sustainability Governance

The Board drives the overall direction of Ho Bee Land's sustainability strategy. The Board reviews and incorporates sustainability matters into the business and financial decision-making process and determines and oversees the management and monitoring of ESG factors material to the business. To drive the Company's sustainability strategy, the Board has participated in interactive capacity building and discussion sessions on emerging reporting standards and ESG risks and opportunities.

The Board has recently strengthened its sustainability governance structure. It approved the establishment of a Board Sustainability Committee comprising four Independent Directors to oversee the Company's ESG strategy and initiatives, as well as climate-related risks and opportunities. The Board also developed Terms of Reference, outlining its roles and responsibilities to manage and monitor ESG matters.

The Sustainability Team supports the Board. The Sustainability Team is responsible for driving organisation-wide sustainability initiatives holistically. This includes implementing and formalising sustainability policies and procedures, management processes, and sustainability development standards. The Team is also responsible for ensuring 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.

Figure 2: Ho Bee Land's sustainability governance structure

Stakeholder Engagement

We believe that regular and meaningful stakeholder engagements will strengthen our sustainability strategy.

We engage our stakeholders through various means of communication channels. These include meetings, reviews, discussions, and calls. In FY2023, we continued to have frequent engagement with our stakeholders, allowing us to build stronger relationships and be more effective in our decision-making process.

Memberships and External Initiatives

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

Materiality Assessment

We adopt a four-step approach to evaluate material ESG factors, based on the guidelines on GRI Materiality Standards and Principles. We review our material ESG factors on a yearly basis. In FY2023, we conducted a review of our ESG factors based on the approach outlined in the illustration below, considering global and sectoral ESG trends and issues raised by our stakeholders.

We concluded that all our existing material ESG factors are still relevant to our business, as well as our internal and external stakeholders. We have 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). The finalised material ESG factors were reviewed and validated by the Board in the reporting year.

Materiality Matrix

Based on the materiality assessment conducted in FY2023, we noted the importance of environmental ESG factors to our stakeholders and the environmental impact on our business. We will prioritise these key areas. We will also continue

STEP 1	STEP 2	STEP 3	STEP 4
Identification of material ESG factors through in-depth stakeholder engagement and comprehensive desktop research on ESG trends	Prioritisation of factors based on the impacts on stakeholders and the wider society, as well as impact on Ho Bee Land's business	Validate with Management and Board on the identified material factors	Review these material factors and reassess their relevance and significance to the Group

Figure 3: Ho Bee Land's materiality assessment approach

ENVIRONMENT	SOCIAL		GOVERNANCE	
Contributing to a Sustainable Environment	Developing Our People	Enriching Our Communities	Enhancing Economic Value	Strengthening Corporate Governance
1. Greenhouse Gas Emission 2. Energy 3. Water 4. Waste	5. Employment 6. Diversity and Equal Opportunity 7. Training and Development 8. Occupational Health and Safety	9. Local Communities	10. Economic Performance	11. Business Ethics, Compliance and Good Governance 12. Customer Health and Safety 13. Customer Privacy
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	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Figure 4: Ho Bee Land's materiality matrix

SUSTAINABILITY REPORT

to maintain good corporate governance and our support for our people and local communities.

CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

Greenhouse Gas Emissions

In 2023, the Intergovernmental Panel on Climate Change ("IPCC") Working Group's Synthesis Report for the Sixth Assessment Report noted the catastrophic threat of climate change to people and planet. There is a need for rapid and sustained mitigation efforts and an accelerated implementation of adaptation actions to limit the damage caused by climate change. We recognise our role as a real estate developer and investor and are making efforts to decarbonise and support the transition of our sector to a more sustainable one.

In FY2022, we published our inaugural TCFD report, which included a preliminary assessment of our climate-related risks and opportunities. In FY2023, we further strengthened our TCFD disclosures and conducted our first qualitative climate scenario analysis of our portfolio to map out the potential business and financial implications of climate change and our mitigation efforts to effectively adapt against climate risks.

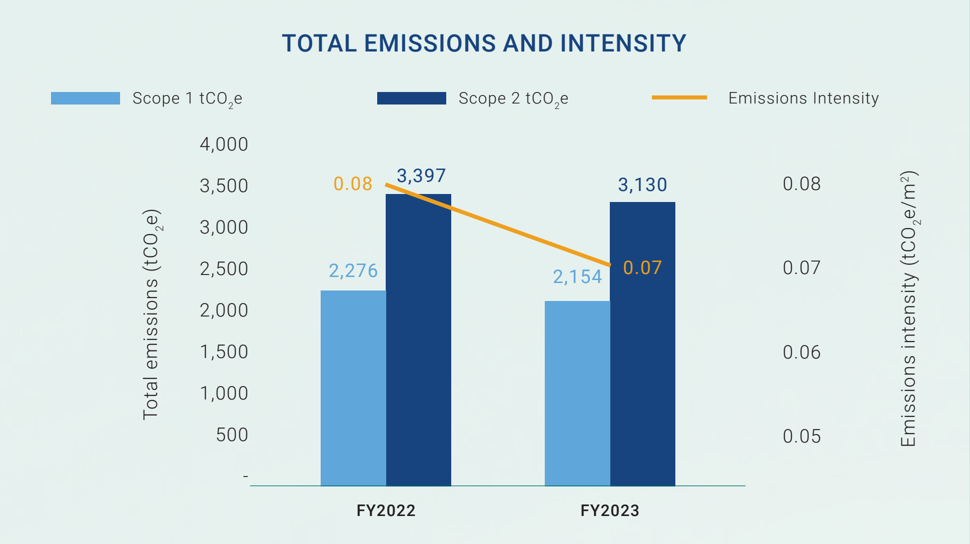
In FY2023, we reviewed our Scope 1 and 2 emissions and set decarbonisation targets[1]. We have developed a short-term target to achieve an 18% reduction in GHG emissions (Scope 1 and 2) by FY2026 with FY2023 as our baseline year.

Our approach to develop our decarbonisation target involved a rigorous and comprehensive review of globally recognised GHG methodologies and market practices. We took guidance from science-based methodology as it provides a foundation to ensure our target set is comparable and able to stand up to market scrutiny. SBTi noted that an annual ~6% emissions reduction is required for a 1.5ºC alignment for science-based targets from a baseline year of 2023. We have set our target of 18% from FY2023 to FY2026, which translates to an annual reduction rate of above ~6%[2].

We also conducted wide-ranging discussions with our engineering teams and building managers to review and assess the current state of our properties. This provided us with a comprehensive overview of feasible decarbonisation actions we can take to reduce our emissions. We considered both technical feasibility and financial practicality of available decarbonisation solutions in designing our target.

Following from the exercise performed as detailed above, we developed our short-term decarbonisation target for FY2026. We are currently in the process of setting a medium-term decarbonisation target to FY2030[3]. Our short- and medium-term targets are meant to support our long-term aim to achieve net-zero by 2050.

As part of our efforts to reduce paper waste, no hardcopies of our sustainability report have been printed. All our sustainability reports are available on our corporate website at https://www.hobee.com.



1 Our scope of review includes Science Based Targets initiative ("SBTi"), ISO14064, ISO14068, PSA 2060: Standard for Carbon Neutrality and Race to Zero, as well as real estate peers' decarbonisation targets.
2 In reference to SBTi's guidance, we did not include other investment properties in London as the projected emissions were less than 5% of total Scope 1 and 2 emissions.
3 In FY2025, our new property, Elementum, will likely be fully operational, and we will disclose its emissions. We will review our decarbonisation performance and target setting accordingly. For clarity, all material investment properties will be included in our medium-term target.

CHAPTER 5

WRITING THE NEXT CHAPTER

As we approach the future and prepare to write the next chapter of our company's story, we draw on our past experiences, knowledge, and wisdom. Each new chapter shows our ongoing dedication to innovation, progress, and the unwavering pursuit of excellence. In this chapter, we take the opportunity to shape our future with both vision and determination.

CORPORATE STRUCTURE

HO BEE LAND LIMITED

- Ho Bee Developments Pte Ltd
  - Ho Bee Realty Pte Ltd
- HB Properties International Pte Ltd
  - Ho Bee (Eastwood Park) Pte Ltd
- Pacific Rover Pte Ltd
  - Ho Bee (One North) 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%
- Ho Bee Land (UK) Ltd
- 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: Ho Bee Developments Pte Ltd, HB Properties International Pte Ltd, Pacific Rover Pte Ltd, HB Venture Capital Pte Ltd, HBS Investments Pte Ltd, HB Le Grand Pte Ltd, HB St Martins Pte Ltd, HB Mayfair Pte Ltd, HB Victoria Pte Ltd, HB Croydon Pte Ltd, HB Universal Pte Ltd, TMK Orion Pte Ltd, Ho Bee Cove Pte Ltd, Seaview (Sentosa) Pte Ltd, Pinnacle (Sentosa) Pte Ltd, HB Investments (China) Pte Ltd, Ho Bee Realty Pte Ltd, Ho Bee (Eastwood Park) Pte Ltd, Ho Bee (One North) Pte Ltd, Yanlord Ho Bee Investments Pte Ltd

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

Entities are 100% owned unless otherwise stated.

CORPORATE GOVERNANCE

Ho Bee Land Limited ("**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 ("**Board**") ensures that an effective self-regulatory and monitoring mechanism is practised.

In line with the listing rules of the Singapore Exchange Securities Trading Limited ("**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 ("**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 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.

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 ("**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 that is collectively responsible and works with management to ensure the long-term success of the Company.

The principal role of the Board is to provide entrepreneurial leadership, review and approve strategic plans and key operational and financial issues, evaluate the performance of the Group, 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 works with management to ensure that the necessary resources are in place for the Group 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 Group's assets;
- guides, reviews and monitors management's performance to ensure proper 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 Group 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 Group has established a sustainability framework and considers sustainability issues (environmental, social and governance factors) when formulating strategies.

During the financial year that ended 31 December 2023 ("**FY2023**"), the Board worked closely with management to address the risks to our real estate business amidst a highly volatile and challenging global economic environment. In particular, the Board and the management had to address the impact of higher interest rates, elevated capitalisation rates and the corresponding fair value 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 Company's best interests. This ability to exercise objectivity is one of the assessment criteria in the NC's annual evaluation of the Directors.

CORPORATE GOVERNANCE

Delegation by the Board to the Board Committees

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

The BSC was established on 15 February 2023 to assist the Board in strengthening its oversight of the Company's environmental, social, and governance ("**ESG**") strategies and initiatives. The BSC works closely with the Management to ensure that sustainability goals are monitored and reviewed continuously.

The BSC, which consists of four Independent Directors, is guided by its Terms of Reference. During FY2023, the BSC met twice to review the material ESG factors, evaluate portfolio decarbonisation strategies, and discuss potential emissions reduction target setting.

The Board schedules at least four meetings and one business review meeting annually. Meetings for the 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 ("**Constitution**") and the Terms of Reference of the various Board committees.

The following table sets out the attendance of the Directors at various meetings in FY2023.

	Board	ARC	NC	RC	BSC[1]	AGM
Number of meetings held in FY2023	**6[2]**	**4**	**2**	**2**	**2**	**1**
Chua Thian Poh	6	N.A.	2	N.A.	N.A.	1
Nicholas Chua Wee-Chern	6	N.A.	N.A.	N.A.	N.A.	1
Ong Chong Hua	6	N.A.	N.A.	N.A.	N.A.	1
Lim Swee Say	5[3]	4	2	N.A.	2	1
Ko Kheng Hwa	6	4	N.A.	2	2	1
Seow Choke Meng	6	N.A.	2	2	N.A.	1
Josephine Choo Poh Hua	6	4	2	N.A.	2	1
Pauline Goh	6	4	N.A.	2	2	1
Bobby Chin Yoke Choong	6	4	2	2	N.A.	1

Notes:
1. The BSC was formed on 15 February 2023.
2. The total number of Board meetings includes one business review meeting held in FY2023.
3. Mr Lim could not attend one of the board meetings due to his other prior commitments.

Directors are provided with detailed financial statements and reports for each Board meeting at least five days before each meeting. In addition, minutes of all Board committee meetings and all relevant information on material transactions and events are circulated to the 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 independent and full 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 fulfil their duties and responsibilities.

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

CORPORATE GOVERNANCE

The Company Secretary facilitates communication between the management, the Board and its various Board committees. He 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 the Board's approval

The following is a list of key matters that require the 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, the Board's approval is required on more significant and key issues.

Conflict of interests

Directors are fiduciaries of the Company and are obliged at all times to act objectively in the Company's best interests. In line with this principle, the Board has incorporated a standing policy and procedure on conflicts of interest to guide the Directors in dealing with any conflict of interest and fulfilling their disclosure obligations. Directors are required to disclose to the Board their interests in any transaction to which the Company is a party and/or any other conflicts (including potential conflicts) of interest. Each Director is aware of the prohibition on dealings in the Company's securities and restrictions on disclosing price-sensitive information. When a director has an interest in a transaction or a conflict of interest in a particular matter, they must declare their interest to the Board or, by written notification to the Company Secretary, recuse themself from the deliberations and abstain from voting on the transaction or matter. During FY2023, every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the meeting minutes or, as the case may be, circular resolution.

Consistent with this Principle, the Company also adopted a policy and procedure for interested persons and related party transactions. It is the policy of the Board and/or any other interested persons that all such transactions (including potential 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.

Principle 2: Board Composition and Guidance

The Board comprises nine members, with three Executive Directors, five Independent Non-Executive Directors ("**Independent Directors**") and one Non-Independent Non-Executive Director for FY2023:

Dr Chua Thian Poh	Executive Chairman
Mr Nicholas Chua Wee-Chern	Chief Executive Officer and Executive Director
Mr Ong Chong Hua	Chief Operating Officer and Executive Director
Mr Lim Swee Say	Lead Independent Director
Mr Ko Kheng Hwa	Independent Non-Executive Director
Ms Josephine Choo Poh Hua	Independent Non-Executive Director
Mr Seow Choke Meng	Independent Non-Executive Director
Ms Pauline Goh	Independent Non-Executive Director
Mr Bobby Chin Yoke Choong	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, finance, investment, government, information technology, sustainability, general management, and business experience.

Details on the profile of the Directors are set out under the Board of Directors section of this Annual Report.

CORPORATE GOVERNANCE

Key information on the Directors

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

CHUA THIAN POH, 75
Executive Chairman
Date of first appointment as Director: 8 August 1987
Date of next re-appointment as Director: 26 April 2024 [1]

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** [2] (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) (7) Singapore Thong Chai Medical Institution (Life Senior Honorary Chairman) (8) Bishan East Citizens' Consultative Committee (Honorary Chairman)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to the Directors' Statement and Shareholding Statistics on pages 64 and 148, respectively.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Father of Mr Nicholas Chua Wee-Chern, the Company's Chief Executive Officer.

(1) Dr Chua is retiring by rotation Article 104 of the Constitution and SGX Listing Rule 720(5) at the 36th Annual General Meeting and has offered himself for re-election.

(2) Besides the principal commitments listed above, Dr Chua holds directorships in several related corporations, associated companies and jointly controlled entities of the Company.

CORPORATE GOVERNANCE

NICHOLAS CHUA WEE-CHERN, 48
Chief Executive Officer and Executive Director
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) (4) Kallang Alive Sport Management Co Pte. Ltd. (Director)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to the Directors' Statement and Shareholding Statistics on pages 64 and 148, respectively.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Son of Dr Chua Thian Poh, the Company's Executive Chairman and controlling shareholder.

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

CORPORATE GOVERNANCE

ONG CHONG HUA, 69
Chief Operating Officer and Executive Director
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 the Directors' Statement and Shareholding Statistics on pages 64 and 148, respectively.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

[1] Besides the principal commitments listed above, Mr Ong holds directorships in several 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**"), the substantial shareholder of the Company. FNA Group International Pte. Ltd. and Focus Network Agencies (Singapore) Pte. Ltd. are associates of HBH.

CORPORATE GOVERNANCE

LIM SWEE SAY, 69
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), Board Sustainability 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** (1) Singapore Telecommunications Ltd (Independent Director) (2) Tat Seng Packaging Group Ltd (Independent Director) (3) PSC Corporation Ltd. (Independent Director) **Other principal commitments** (1) National Trades Union Congress (NTUC) (Trustee and Advisor) (2) NTUC-Administration & Research Unit Board of Trustees (Chairman) (3) NTUC LearningHub Co-operative Limited (Chairman) (4) NTUC Enterprise Co-operative Ltd (Advisor and Director) (5) Singapore Labour Foundation (Deputy Chairman) (6) Ong Teng Cheong Institute (Governor) (7) Nanyang Technological University, Nanyang Centre of Public Administration (Adjunct Professor) (8) TF IPC Ltd. (Director) (9) Temasek Foundation Ltd. (Director) (10) NCS Pte Ltd (Chairman)
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

CORPORATE GOVERNANCE

KO KHENG HWA, 69
Independent Non-Executive Director
Date of first appointment as Director: 1 May 2016
Date of last re-appointment as Director: 26 April 2023

Board committee(s) served on	Audit and Risk Committee (Chair), Remuneration Committee (Member), Board Sustainability 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) Univers Pte. Ltd. (Chairman and Director) (4) AirTrunk Pte Ltd (Senior Advisor) (5) Singapore Cooperation Enterprise (Member of Panel of Experts)
Past directorships in other listed companies held over preceding 5 years	AIMS APAC REIT Management Limited (Manager of the listed AIMS APAC REIT)
Shareholding interests in the Company	Nil
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

CORPORATE GOVERNANCE

JOSEPHINE CHOO POH HUA, 52
Independent Non-Executive Director
Date of first appointment as Director: 26 April 2017
Date of next re-appointment as Director: 26 April 2024 [1]

Board committee(s) served on	Nominating Committee (Chair), Audit and Risk Committee (Member), Board Sustainability 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

(1) Ms Josephine Choo is retiring by rotation Article 104 of the Constitution, and SGX Listing Rule 720(5) at the 36th Annual General Meeting, and she has offered herself for re-election.

CORPORATE GOVERNANCE

SEOW CHOKE MENG, 74
Independent Non-Executive Director
Date of first appointment as Director: 26 April 2017
Date of last re-appointment as director: 26 April 2023

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) Ren Ci Hospital (Chairman) (2) Chinese Development Assistance Council Board of Trustee (Director) (3) Straco Leisure Pte. Ltd. (Director) (4) Hi-P International Pte. Ltd. (Director) (5) Ho Bee Foundation (Member/Director) (6) Ulu Pandan Citizen's Consultative Committee (Vice-Chairman) (7) Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member) (8) Kwong Wai Shiu Hospital (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

CORPORATE GOVERNANCE

PAULINE GOH, 65
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	Board Sustainability Committee (Chair), Audit and Risk Committee (Member), Remuneration Committee (Member)
Academic and professional qualification(s)	Fellow of Singapore Institute of Surveyors and Valuers (SISV) Fellow of 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 (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) Asia Philanthropic Ventures Pte Ltd (Director) (13) Singapore Institute of Directors (Director) (14) Real Estate Developers' Association of Singapore (REDAS) (Honorary Real Estate Consultancy Advisor) (15) Singapore Prison Service – Institutional Discipline Advisory Committee (Committee Member) (16) Ngee Ann Polytechnic Council (Council Member) (17) Catholic Foundation Limited (Director and Chairman) (18) 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 YOKE CHOONG, 72
Non-Independent Non-Executive Director
Date of first appointment as Director: 29 November 2006
Date of next re-appointment as Director: 26 April 2024 [(1)]

Board committee(s) served on	Audit and Risk Committee (Member), Nominating Committee (Member), Remuneration Committee (Member)
Academic and professional qualification(s)	Distinguished Lifetime Member of Institute of Singapore Chartered Accountants Fellow of the Institute of Chartered Accountants in England & Wales
Current directorships in other listed companies and other principal commitments	**Other listed companies** (1) AV Jennings Limited (Independent Director) (2) Frasers Property Limited (Independent Director) **Other principal commitments** (1) Temasek Holdings (Private) Limited (Director) (2) Singapore Health Services Pte Ltd (Director) (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) Yeo Hiap Seng Ltd (3) Frasers Commercial Asset Management Ltd (Manager of Frasers Commercial Trust) (4) Frasers Logistics & Commercial Asset Management Pte. Ltd. (Manager of Frasers Logistic & Commercial Trust)
Shareholding interests in the Company	Refer to the Directors' Statement on page 64.
Relationship with other Director, executive officer, or substantial shareholder of the Company	Nil

(1) Mr Bobby Chin is retiring by rotation Article 104 of the Constitution, and SGX Listing Rule 720(5) at the 36th Annual General Meeting, and he has offered himself for re-election.

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 FY2023. 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 Company's best interests, which is in line with the intent of Principle 2 of the Code.

Given 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 SGX Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the Code where 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.

CORPORATE GOVERNANCE

The NC requires annual confirmation from each Independent Director of their 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 has 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 rigorous review of their independence, with each Independent Director abstaining from participating in their 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 new SGX Listing Rules governing Directors' independence.

None of the Independent Directors has served on the Board for more than nine years for FY2023.

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.

Determining Board's composition

The Board's composition is determined by the following principles:

- the composition of the Board should meet the requirements of the Code and the SGX Listing Manual;
- 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 Constitution with regard to the rotation and retirement of Directors.

The NC reviews the Board's composition and size annually 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.

Board diversity

The Board has adopted a Board Diversity Policy, which sets out the Company's approach to diversity on its Board. The policy recognises that having a diverse Board is an important element that will better support the Company's achievement of its strategic objectives and sustainable development. It is committed to promoting 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 its effectiveness. 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, to arrive at an optimal balanced composition of the Board:

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

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

CORPORATE GOVERNANCE

In FY2023, the Board has achieved a 22% female representation, with two female members. The Directors have a diverse range of ages, spanning from mid-40s to more than 70 years old. Additionally, the Board's tenures are strategically staggered across their terms of office, ensuring continuity and stability for the conduct of Board matters and the ability to have different perspectives to meet the challenges of a changing business environment.

Half of the Board comprises directors with relevant industry experience in the real estate sector. Collectively, the Directors bring a wealth of knowledge and expertise and contribute valuable insights to the Company, drawing from their vast experience and industry knowledge in real estate, accounting, audit, legal, finance, investment, public sector, information technology, sustainability, and general management.

The Board diversity target is to maintain an overall balance in competencies. This diversity allows management to tap into 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 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, to understand the expertise that may be lacking on the Board.

The Board will continue to review opportunities to refresh the Board and expand the skills, experience, and diversity of the Board as a whole. Any further progress will be disclosed in future Corporate Governance Reports as appropriate.

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

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 Executive Chairman and the CEO are separate persons to ensure an appropriate balance of power, increase 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.

The Board believes it has a strong and independent group of Non-Executive Directors. Among them, a Lead Independent Director has been appointed, contributing to a well-balanced composition for FY2023.

As Executive Chairman, Dr Chua provides the leadership to promote the culture of the Company and further strengthen the effectiveness and performance of the Board, particularly in 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, the 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 Manual; and
- promoting high standards of corporate governance.

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. He also seeks business opportunities, drives new initiatives, and is responsible for the operational performance of the Group. He also builds and maintains strong relationships with key stakeholders of the Group.

CORPORATE GOVERNANCE

Role of the Lead Independent Director ("Lead ID")

The Executive Chairman and the CEO of the Company are immediate family members, and the Executive Chairman is part of the management. The Company has therefore appointed a Lead ID 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 role of Lead ID may 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; (iv) help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO and (iv) acting as a conduit to the Board for communicating shareholders' and other stakeholders' concerns.

The Lead ID also has the authority to call and lead meetings with the Independent Directors when necessary and appropriate and to provide feedback to the Executive Chairman after such meetings. The Lead ID and all the Non-Executive Directors met once in FY2023 without the presence of management.

Mr Lim Swee Say served as the Lead ID for FY2023. Mr Lim's profile can be found in the Board of Directors section of this Annual Report. He is available to address shareholders' concerns through his email address secretariat@hobee.com for circumstances in which contact through the normal channels of the Executive Chairman or the CEO is inappropriate or inadequate.

Principle 4: Board Membership

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

The NC consists of five members, the majority of whom, including the NC Chairperson, are independent. The Lead ID 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 FY2023, key activities of the NC include reviewing and making recommendations to the Board, the re-appointment of Directors in accordance with the Constitution and the applicable SGX Listing Rules, assessing the performance of the Board, its committees and individual directors and determining the independence of Directors.

CORPORATE GOVERNANCE

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

There is a structured process for determining Board composition and selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NC reviews all nominations for appointments and re-appointment to the Board and Board committees, taking into account an appropriate mix of core competencies for the Board in the mid to long-term 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:-

a. considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board committees;
b. evaluates the balance of skills, knowledge, and experience on the Board, and determines the role and desirable competencies for any new appointment (such as sustainability, geographical representation and business background) to enhance the existing Board composition;
c. reviews any competing time commitments if the candidate has multiple listed company board representations and other principal commitments; and
d. 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 into its networking contacts and appoint external consultants and other professional organisations to identify and shortlist suitable candidates. The NC may meet with the potential candidate to assess their suitability and availability. The selection process will consider the candidate's honesty, integrity, reputation, competence, capability and financial soundness.

The NC reviews the eligibility of Directors annually for re-election based on each Director's performance, such as attendance, participation, preparedness and candour. All directors (including the CEO) are subject to re-nomination and re-appointment at the Company's annual general meeting ("**AGM**") at least once every three years.

At the 2024 AGM, Dr Chua, Mr Bobby Chin and Ms Josephine Choo will retire and seek re-election pursuant to Article 104 of the Constitution and SGX Listing Rule 720(5). Supplementary information on the Directors seeking re-appointment at the upcoming AGM on 26 April 2024 is included in this Annual Report's Additional Information on Directors seeking Re-appointment/Re-election section.

Induction and orientation for new directors

As part of the Company's induction programme for new directors appointed to the Board, the newly appointed Director will be briefed by the senior management on the Group's current strategy, projects and annual budget. Newly appointed Directors 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 Manual; and (iii) a set of the Company's corporate manual which contains all Company's policies, including all the terms of references, approved by the Board.

Training for directors

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

Given the increasingly demanding, complex role of a Director, the Board is encouraged to attend relevant workshops, conferences and seminars at the Company's expense.

A first-time Director who has no prior experience as a director of a listed company will be required to attend certain specific modules of the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**") to acquire relevant knowledge of what is expected of a listed company director under the mandatory requirement of the SGX Listing Rules ("**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 Manual 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 they possess relevant experience comparable to that of a person who has served as a director of an issuer listed on SGX-ST. Where the NC makes such an assessment, the reasons are disclosed in the announcement made on the appointment of the Director.

No new director was appointed to the Board during FY2023.

CORPORATE GOVERNANCE

The Company arranges for Directors' training programme based on the recommendations of the NC. Updates on relevant legal, regulatory, and technical developments may be in writing or disseminated through presentations and handouts. In addition, the Company arranges professional briefings when necessary to update the Directors on any new regulatory development that impacts 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.

During FY2023, the Directors attended the following briefings/trainings:

a) Key updates to regulatory requirements and reporting standards by KPMG LLP;
b) Sustainability Target Setting workshop organised by KPMG LLP;
c) International Sustainability Standards Board workshop organised by KPMG LLP;
d) Sustainability for Executives workshop organised by GRCSolutions;
e) Latest changes to the SGX Listing Rules and the Code from the Company Secretary;
f) Board Leadership in Sustainability Seminar organised by SID;
g) Directors Conference organised by SID;
h) Singapore Board of Directors' Survey 2023 organised by SID;
i) Audit & Risk Committee Seminar organised by SID; and
j) Annual Governance Round Up organised by SID

The Company organises Annual Business Review ("**ABR**") meetings for the Directors each year. The senior management conducts presentations and briefings on the Group's operations at the ABR, followed by discussion sessions on operations, strategies, and targets. Suitable site visits to the Group's overseas projects are also arranged so that the Directors can better understand these projects. During FY2023, the Company organised one ABR in December 2023. During the ABR, management provided detailed presentations on strategies, performance, and business outlook to the Board and the annual budget. Directors are also free to approach management should they require further information or clarification concerning the Company's operations.

Guideline on multiple board representations

The NC is tasked with ensuring and determining that Directors with 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 can 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 NC reviews the general guidelines annually.

The NC had reviewed and was satisfied that no director had exceeded the maximum limit in FY2023. Further, the NC and the Board are of the view 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.

Succession Planning

The NC oversees succession planning through an annual review of the Board composition as well as a director giving notice of their intention to retire or resign. The annual review considers various factors, including compliance with SGX Listing Rules and the Code, feedback from any individual Board member, and the diversity targets and factors in the Board Diversity Policy. The outcome of that review is reported to the Board. The Board seeks to refresh its membership progressively and in an orderly manner whilst ensuring continuity and sustainability of corporate performance. The Company will continually train and groom capable staff to fill key positions to bolster the overall strength of the Group's operations.

CORPORATE GOVERNANCE

Appointment of Alternate Directors

The Board does not encourage the appointment of alternate directors. No alternate director was appointed during the year, and no alternate director has been appointed since the Company was listed.

Principle 5: Board Performance

The Ho Bee Board Assessment Framework ("**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. The NC reviews the Framework periodically 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 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 the 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. Each Director completed the Board/Committee evaluation questionnaire. The Company Secretary collated the assessment results and provided them 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, RC and BSC) and recommended key areas for improvement and follow-up actions for the Board.

ESG considerations were also included in the annual board assessment of sustainability governance. For FY2023, 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 ID.

Individual Directors are assessed annually using a director performance evaluation form. For FY2023, the evaluation was carried out collectively by the Board members during the NC meeting. Each Director had recused themself in their evaluation. The performance indicators for assessing the Individual Directors include the Director's duties, leadership, strategy, risk management, Board contribution, knowledge, interaction, and communication skills.

CORPORATE GOVERNANCE

B. REMUNERATION MATTERS

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

RC	
Membership	**Key objective(s)**
Seow Choke Meng (RC Chairman) (Independent Director)	• Assist the Board in ensuring that the Directors and Key Management Personnel ("**KMP**") 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 remuneration framework for the Directors and KMP of the Company and its subsidiaries.
Ko Kheng Hwa (Independent Director)	
Pauline Goh (Independent Director)	
Bobby Chin Yoke Choong (Non-Independent Non-Executive Director)	

The RC consists of four members; the 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;
- recommending to the Board for approval the general remuneration framework and specific remuneration packages for the Directors and KMP of the Group;
- reviewing all benefits and long-term incentive schemes (including share schemes) and compensation packages for the Directors and KMP;
- reviewing service contracts for the Directors and KMP; and
- ensuring a fair and equitable compensation system for the Directors and KMP.

The RC members are familiar with executive compensation matters and may seek expert advice.

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 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 apply to all employees.

Aside from the abovementioned, Dr Chua (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 adjusting for any surplus/loss on revaluation of the Group's investment properties for the relevant financial year.

To determine the fixed and variable components for Executive Directors and KMP, the individual performances and the overall performance of the Group are taken into consideration along with specific key performance indicators involving financial and non-financial indicators. Following this, the remuneration recommendations are reviewed and finalised. 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 an annual benchmarking survey using internal resources to ensure that the remuneration of Directors and KMP aligns with the industry level. The RC may, occasionally, 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 appointed an external remuneration consultant, Willis Towers Watson, who has no relationship with the Company or any of the Directors, to advise on remuneration matters and conducted a benchmarking analysis of the Directors' and KMPs' remuneration against other comparable real estate companies. For FY2023, the RC has determined that the current remuneration structure remains competitive. The RC had endorsed, and the Board had approved RC's recommendations.

CORPORATE GOVERNANCE

Executive Directors do not receive Directors' fees. Non-Executive Directors are paid Directors' fees, subject to shareholders' approval at the AGM. 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 Committee meetings. 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 industry.

The RC reviewed the annual fee structure for the Non-Executive Directors for FY2023 and found that the current fee structure is appropriate and comparable to the market. The fee structure of the Non-Executive Directors for FY2023 is as follows:-

Basic annual retainer fee for Non-Executive Directors	
Board Chairman	N.A.[1]
Board Member	S$60,000
Additional fee for other appointments	
Lead Independent Director	S$15,000
Audit & Risk Committee Chairperson	S$30,000
Audit & Risk Committee Member	S$15,000
Nominating Committee Chairperson	S$10,000
Nominating Committee Member	S$5,000
Remuneration Committee Chairperson	S$10,000
Remuneration Committee Member	S$5,000
Board Sustainability Committee Chairperson	S$10,000[2]
Board Sustainability Committee Member	S$5,000[2]
Attendance Fee for Annual Business Review	
Overseas	S$3,000
Singapore	S$1,500

Notes:

[1] N.A. means not applicable.

[2] The Board Sustainability Committee was formed on 15 February 2023. Therefore, the actual fees payable were pro-rated.

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 FY2023, the RC reviewed and recommended approvals of the annual wage packages for the Chairman and the CEO, the Executive Directors and the KMP of the Group.

No director is involved in deciding their remuneration.

CORPORATE GOVERNANCE

Principle 8: Disclosure on Remuneration

Directors' and CEO's remuneration for FY2023, including a 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*	-	45	52	3	2,129,430
Nicholas Chua Wee-Chern *Chief Executive Officer*	-	38	60	2	1,716,509
Ong Chong Hua *Chief Operating Officer*	-	37	62	1	1,561,023
Non-Executive Directors					
Lim Swee Say	102,375	-	-	-	102,375
Ko Kheng Hwa	102,375	-	-	-	102,375
Seow Choke Meng	78,000	-	-	-	78,000
Josephine Choo Poh Hua	92,375	-	-	-	92,375
Pauline Goh	91,750	-	-	-	91,750
Bobby Chin Yoke Choong	88,000	-	-	-	88,000

Notes: -

(1) Directors' fees are subject to shareholders' approval at the AGM to be held on 26 April 2024.

(2) The fixed salary and variable bonuses include the employer's central provident fund contributions.

Save as disclosed above, the Directors and the CEO are not paid any other fees, allowances and benefits.

Remuneration of Key Management Personnel (who are not directors or the CEO)

The Company has classified only four management members as KMP for FY2023. The remuneration paid to the KMP of the Company in FY2023 (in aggregate) is set out in the table below:

	Base / Fixed Salary	Variable / Bonuses	Benefits / Allowances	Total
Chong Hock Chang Michael Vinodolac Li Xiangrun[1] Loh Lee Hong	S$1,257,552 46%	S$1,489,280 54%	S$15,068 -[2]	S$2,761,901 100%

Note: -

(1) Mr Li Xiangrun was appointed as the Head of Finance of the Company with effect from 5 June 2023, and the amounts disclosed are in respect of his remuneration from 5 June 2023 to 31 December 2023.

(2) Less than 1%

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

The Company is not disclosing the detailed remuneration details of each KMP (who are not directors or the CEO) in bands of S$250,000. Instead, the Company discloses the aggregate remuneration of all KMP (who are not directors or the CEO). Considering the dynamic and 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.

Remuneration of employees who are immediate family members of a director or CEO

Apart from Dr Chua and Mr Nicholas Chua, who are father and son, no employee 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 FY2023. The remuneration of Dr Chua and Mr Nicholas Chua is disclosed above. Under the SGX Listing Rules, "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 has no employee share option scheme or other long-term incentive schemes 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 identifying, prioritising, assessing, managing, and monitoring key risks to the Group's business. The risk management process in place covers, inter alia, financial, operational, information technology, and compliance risks the Group faces. 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 proactively manage them within acceptable levels. 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 relate to investments, market concentration, country, foreign exchange, regulatory compliance, health and safety, land tendering, pricing and contract management. Management deliberates the key risks of the Group and reports them to the ARC and the Board half-yearly.

Despite the volatile business environment marked by global geopolitical tensions and a sharp increase in interest rates in 2023, the Company's operations continued to demonstrate resilience. The Company remained focused on reviewing our business strategies, formulating responses, and taking pre-emptive actions against emerging risks.

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 provide assurance on 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.

CORPORATE GOVERNANCE

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 of 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 Test (VAPT) was conducted for the Group, and the results of the tests were reported to the ARC and Board. The Group further invested in IT platform upgrades in the Group's accounting, payments and invoicing systems in Australia and Singapore in FY2023. It will continue to perform VAPT, software applications and data security risk testing in FY2024.

The Board acknowledges that it is responsible for the overall internal control framework. Still, it 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) 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 the 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 FY2023.

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 CEO and other KMP, 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 FY2023, the Board received the following assurance from the CEO and the Head of Finance:-

(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 2023.

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.
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 ARC consists of five members, the majority of whom, 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 have been previous partners or directors of the existing auditing firm within the last two years, and none of the ARC members hold 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;

- **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 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, 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 FY2023, the ARC met four times, once without the presence of management with the internal auditor 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 economic uncertainties, interest rate movements and geopolitical situation which continued to impact the financial markets and business environment and the adequacy of cash flow and liquidity 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;
- considering and recommending to the Board the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the external auditor;
- reviewing the internal audit programme including the scope and results of the internal audit procedures, and management's responses to the recommendations;
- reviewing the independence and resource capability of the internal auditor, and the adequacy and effectiveness of internal audits;
- approving the re-appointment, evaluation and remuneration of the internal auditor;
- reviewing the assurances from the CEO and the Head of Finance on the financial records and financial statements;
- 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 FY2023, 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 2023.

Audit & Risk Committee's commentary on key audit matters

The ARC has discussed the key audit matters for FY2023 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 FY2023. For more information on the key audit matters, please refer to the Independent Auditor's Report section of this Annual Report.

Fees paid to external auditors

The total fees paid to the external auditors, KPMG LLP, for the financial year ended FY2023, are set out in the table below:

Fee Paid/Payable to the external auditors for FY2023		
	S$'000	**% of total**
For audit and audit-related services	598[(1)]	63
For non-audit services	349[(2)]	37

Notes: -

(1) In addition to the above fees, there are technology charges of S$14,900

(2) The non-audit fees in FY2023 are in relation to the ESG advisory, tax compliance and transfer pricing services provided by KPMG Singapore. In addition to the above fees, there are technology charges of S$7,000

The ARC reviewed the nature of non-audit services provided by the external auditors in FY2023. Based on the evaluation of external auditors for FY2023, and taking into consideration the external auditors' confirmation of independence, the ARC was of the view that the level of non-audit services and non-audit fees would not affect the independence and objectivity of the external auditors. Based on these considerations, the ARC has recommend, and the Board endorsed, the re-appointment of KPMG Singapore for shareholders' approval at the forthcoming AGM. The Group has complied with Rule 712 and Rule 715 of the SGX Listing Manual.

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 their concerns about possible improprieties in financial reporting and other matters in good faith and in confidence.

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 Company's 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 FY2023, 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 AGM as this is the principal forum for any dialogue they may have with the Directors and management of the Company.

CORPORATE GOVERNANCE

The 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 and (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 SGX website and the Company's website within the prescribed timeframe before the AGM. In line with changes to the SGX Listing Rules, and as part of the Company's sustainability effort, the Company has implemented electronic transmission of AGM Documents to shareholders.

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, 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. The scrutineer will also be appointed to review the proxies and the electronic poll voting system as part of the proxy verification process.

The Company appoints an independent external party as scrutineer for the electronic poll voting process. At the general meeting, handsets are provided for poll voting and the results of the electronic poll voting are announced immediately after each resolution has been put to a vote. The poll results will be announced via SGXNet and on the Company's website the same day after the conclusion of that meeting.

The Company Secretary prepares minutes of general meetings and publishes these minutes via SGXNet and on the Company's website within one month 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.

Annual General Meeting

The Company held its 2023 AGM on 26 April 2023 in a physical format in Singapore, given the progressive easing of the COVID-19 safe management measures. Shareholders (themselves or through duly appointed proxies) were able to vote and ask questions in person at the 2023 AGM. The AGM was held at a location in Singapore with convenient access to public transportation. All Directors, the Company Secretary and auditors attended the AGM in person.

2024 Annual General Meeting

The Company will be holding a physical AGM in 2024 in Singapore. Shareholders (themselves or through duly appointed proxies) will be able to vote and ask questions in person at the 2024 AGM. The AGM will be held at a location in Singapore with convenient access to public transportation.

The AGM documents are available to shareholders through electronic means via publication on the Company's website and the SGX website through the following URLs:-
Company's website: https://www.hobee.com/
SGX website: https://www.sgx.com/

Printed copies of the Annual Report FY2023 and Letter to Shareholders are available to shareholders upon request.

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 website at https://www.hobee.com/. Shareholders are encouraged to engage with the Company beyond general meetings. They may do so by contacting the Investor Relations team, the details of which may be found on the Company's website.

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 website.

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 Rule 705 of the SGX Listing Rules, effective 7 February 2020, the Company has ceased Quarterly Reporting and had announced its half-year and full-year results in FY2023. 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 FY2023, the Company's investor relations function was led by the Head of Finance 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 Head of Finance meets with analysts to facilitate shareholders' and investors' communication. They are augmented by the Board Chairman, CEO and other senior management who participate and contribute actively to the Group's corporate communication and investor relations efforts.

Dividend Policy

The Company's policy aims to declare dividends at a rate of approximately 20% to 50% of net profit after tax and minority interests, excluding fair value gains/losses and other non-cash exceptional gains/losses, taking into consideration the Company's financial performance, capital requirements, plans for expansion and other factors as the Board may deem appropriate.

For FY2023, the Board has recommended a first and final dividend of 3.0 cents per ordinary share. Subject to shareholders' approval at the AGM on 26 April 2024, the proposed dividends will be paid on 24 May 2024.

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 will be available on the Company's website 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 FY2023.

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 Manual and the Securities and Futures Act.

CORPORATE GOVERNANCE

With the amendment to Rule 705 of the SGX Listing Rules 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 Rule 1207(19) of the SGX Listing Manual. The Company has complied with the best practices set out in the SGX Listing Manual.

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 SGX Listing Rules 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 a 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 IPT register. The conflicted person shall recuse himself from all discussions and abstain from voting on the transaction.

In compliance with the SGX Listing Rules, the details of the IPT for FY2023 are set out below:

Name of interested person	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)
N.A.	N.A.	N.A.

N.A. means not applicable.

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

MATERIAL CONTRACTS

Except for the service agreements between the Chairman and the CEO, and the Company, there were no material contracts of the Group involving the interests of the Chairman, CEO, and Directors either still subsisting at the end of FY2023 or, if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

Directors’ Statement	63
Independent Auditors’ Report	67
Statements of Financial Position	72
Consolidated Income Statement	73
Consolidated Statement of Comprehensive Income	74
Consolidated Statement of Changes in Equity	75
Consolidated Statement of Cash Flows	77
Notes to the Financial Statements	80

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 2023.

In our opinion:

(a) the financial statements set out on pages 72 to 145 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 2023 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)

	Holdings in which the director has a direct interest		Holdings in which the director is deemed to have an interest	
Name of director and corporation in which interests are held	**At beginning of the year**	**At end of the year**	**At beginning of the year**	**At end of the year**
Chua Thian Poh				
The Company				
- ordinary shares	–	–	501,819,150	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	3,192,000	–	–
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 2024.

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' STATEMENT

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 does not have any share option scheme or share scheme in place.

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 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

Singapore
15 March 2024

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 2023, 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 material accounting policy information as set out on pages 72 to 145.

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 2023 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of investment properties (S$5,608 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 qualifications and objectivity of the independent external valuers. • Held discussions with the valuers to understand their valuation methodologies, key assumptions and basis used. • Assessed the appropriateness of the valuation methodologies and evaluated reasonableness of key 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 confirmed 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 acceptable range and 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

Valuation of development properties (S$516 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. • 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.

Other information

Management is responsible for the other information contained in the annual report. The other information comprises all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report, and other sections in the annual report (collectively, "the Reports") 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.

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Ho Bee Land Limited

- 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.

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 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment	4	**55,772**	53,748	**1,569**	1,909
Investment properties	5	**5,607,769**	5,756,115	**–**	–
Subsidiaries	6	**–**	–	**522,974**	1,469,072
Associates	7	**53,902**	108,180	**4,136**	7,237
Jointly-controlled entities	8	**379,392**	433,124	**222,155**	290,248
Other assets	9	**150**	150	**–**	–
Financial assets	10	**64,609**	64,474	**59,164**	60,226
Other receivables	11	**38,826**	125,559	**1,902,668**	1,367,226
Deferred tax assets	12	**532**	255	**–**	–
		6,200,952	6,541,605	**2,712,666**	3,195,918
Current assets					
Financial assets	10	**2,524**	17,385	**2,524**	17,385
Development properties	13	**516,114**	570,366	**–**	–
Trade and other receivables, including derivatives	14	**83,715**	144,917	**50,982**	79,613
Cash and cash equivalents	15	**172,677**	327,386	**22,644**	160,890
		775,030	1,060,054	**76,150**	257,888
Total assets		**6,975,982**	7,601,659	**2,788,816**	3,453,806
Equity attributable to equity holders of the Company					
Share capital	16	**156,048**	156,048	**156,048**	156,048
Reserves	17	**3,439,919**	3,759,681	**1,967,858**	2,137,201
		3,595,967	3,915,729	**2,123,906**	2,293,249
Non-controlling interests		**14,088**	14,263	**–**	–
Total equity		**3,610,055**	3,929,992	**2,123,906**	2,293,249
Non-current liabilities					
Loans and borrowings	18	**2,585,013**	2,193,979	**261,338**	143,033
Other liabilities	19	**32,291**	27,614	**5,024**	27,276
Deferred income	20	**41,853**	46,525	**–**	–
Deferred tax liabilities	12	**12,263**	20,168	**–**	–
		2,671,420	2,288,286	**266,362**	170,309
Current liabilities					
Trade and other payables, including derivatives	21	**164,061**	108,133	**366,311**	44,534
Loans and borrowings	18	**479,671**	1,230,725	**12,390**	931,487
Deferred income	20	**2,001**	1,671	**–**	–
Current tax payable		**48,774**	42,852	**19,847**	14,227
		694,507	1,383,381	**398,548**	990,248
Total liabilities		**3,365,927**	3,671,667	**664,910**	1,160,557
Total equity and liabilities		**6,975,982**	7,601,659	**2,788,816**	3,453,806

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

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	22	**444,870**	435,622
Other gains and fair value changes	23	**52,711**	39,178
Cost of sales – residential development projects		**(137,924)**	(126,596)
Direct rental expenses		**(22,434)**	(19,842)
Exchange differences		**(7,377)**	(18,413)
Staff costs & directors' remuneration		**(16,078)**	(11,990)
Other operating expenses		**(12,845)**	(11,980)
Net finance costs	25	**(157,704)**	(88,019)
		143,219	197,960
Share of results, net of tax, of:			
- associates	7	**(10,230)**	32,711
- jointly-controlled entities	8	**12,363**	45,987
		145,352	276,658
Fair value changes in investment properties	5	**(363,921)**	(98,749)
(Loss)/profit before tax		**(218,569)**	177,909
Income tax expense	26	**(40,468)**	(10,803)
(Loss)/profit for the year	27	**(259,037)**	167,106
Attributable to:			
Owners of the Company		**(259,845)**	165,880
Non-controlling interests		**808**	1,226
(Loss)/profit for the year		**(259,037)**	167,106
(Loss)/earnings per share			
Basic and diluted (loss)/earnings per share (cents)	28	**(39.13)**	24.98

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 $'000	2022 $'000
(Loss)/profit for the year	**(259,037)**	167,106
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of cash flow hedges	**(21,645)**	27,143
Foreign currency translation differences relating to foreign operations	**24,767**	(62,228)
Exchange differences on hedges of net investment in foreign operations	**(5,778)**	(38,632)
Share of foreign currency translation differences of equity-accounted investees	**(4,523)**	(40,096)
Other comprehensive income for the year, net of tax	**(7,179)**	(113,813)
Total comprehensive income for the year	**(266,216)**	53,293
Attributable to:		
Owners of the Company	**(266,641)**	52,814
Non-controlling interests	**425**	479
Total comprehensive income for the year	**(266,216)**	53,293

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the Company								
	Share capital	Reserve for own shares	Capital reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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									
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)
Exchange differences 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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	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 2023	**156,048**	**(67,796)**	**791**	**12,300**	**(132,513)**	**3,946,899**	**3,915,729**	**14,263**	**3,929,992**
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	(259,845)	(259,845)	808	(259,037)
Other comprehensive income									
Changes in fair value of cash flow hedges	–	–	–	(21,645)	–	–	(21,645)	–	(21,645)
Foreign currency translation differences relating to foreign operations	–	–	–	–	25,150	–	25,150	(383)	24,767
Exchange differences on hedges of net investment in foreign operations	–	–	–	–	(5,778)	–	(5,778)	–	(5,778)
Share of foreign currency translation differences of equity-accounted investees	–	–	–	–	(4,523)	–	(4,523)	–	(4,523)
Total other comprehensive income	–	–	–	(21,645)	14,849	–	(6,796)	(383)	(7,179)
Total comprehensive income for the year	–	–	–	(21,645)	14,849	(259,845)	(266,641)	425	(266,216)
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	–	(600)	(600)
Final tax-exempt dividend paid of 8 cents per share in respect of 2022	–	–	–	–	–	(53,121)	(53,121)	–	(53,121)
Total distributions to owners of the Company	–	–	–	–	–	(53,121)	(53,121)	(600)	(53,721)
At 31 December 2023	156,048	(67,796)	791	(9,345)	(117,664)	3,633,933	3,595,967	14,088	3,610,055

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
(Loss)/profit for the year		**(259,037)**	167,106
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	4	**1,240**	997
Gain on disposal of investment property	23	**(46,480)**	(2,806)
(Gain)/loss on disposal of property, plant and equipment		**(198)**	2
Exchange differences		**31,335**	22,356
Interest income	25	**(9,920)**	(3,486)
Impairment loss/(writeback of impairment loss) on trade receivables		**2**	(685)
Write-down of properties held for sale to net realisable values		**692**	–
Dividend income from investment at FVTPL	23	**(112)**	(167)
Distribution income from financial assets at FVTPL	23	**(2)**	(73)
Finance costs	25	**167,624**	91,505
Fair value changes in investment properties	5	**363,921**	98,749
Fair value changes in financial assets at FVTPL	23	**12,963**	(27,286)
Share of results of associates		**10,230**	(32,711)
Share of results of jointly-controlled entities		**(12,363)**	(45,987)
Income tax expense		**40,468**	10,803
		300,363	278,317
Changes in:			
Development properties		**51,060**	(237,191)
Trade and other receivables		**200**	(3,522)
Trade and other payables		**7,762**	49,453
Cash generated from operations		**359,385**	87,057
Income taxes paid		**(40,285)**	(29,966)
Net cash generated from operating activities carried forward		**319,100**	57,091

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Net cash generated from operating activities brought forward		**319,100**	57,091
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	**(3,576)**	(10,144)
Proceeds from sale of property, plant and equipment		**503**	182
Interest received		**9,405**	2,445
Dividends from investment at FVTPL		**112**	167
Dividends from associate		**101,085**	77,137
Investment in jointly-controlled entities		**(8,245)**	(1,379)
Distributions from associates (capital reduction)		**–**	122,760
Redemption of preference shares of jointly-controlled entity		**68,093**	–
Repayment from jointly-controlled entities (non-trade)		**84,294**	49,589
Additions to investment properties		**(165,080)**	(31,318)
Proceeds from sale of investment properties		**114,380**	16,406
Purchase of financial assets at FVTPL		**(12,419)**	(6,941)
Redemption of financial assets at FVTPL		**490**	123,935
Distributions from financial assets at FVTPL		**15,277**	49,900
Net cash generated from/(used in) investing activities		**204,319**	(890,974)
Cash flows from financing activities			
Proceeds from bank loans		**1,210,614**	1,640,883
Repayment of bank loans		**(1,672,655)**	(418,327)
Payment of lease liability		**(312)**	(216)
Interest paid		**(165,789)**	(88,759)
Dividend paid		**(53,121)**	(66,402)
Dividend paid to non-controlling shareholder		**(600)**	(6,550)
Repayment to non-controlling shareholder		**–**	(14,785)
Net cash (used in)/generated from financing activities		**(681,863)**	1,045,844
Net (decrease)/increase in cash and cash equivalents		**(158,444)**	211,961
Cash and cash equivalents at 1 January		**327,386**	123,415
Effect of exchange rate fluctuations on cash held		**3,735**	(7,990)
Cash and cash equivalents at 31 December	15	**172,677**	327,386

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

Note A - Net cash outflow on acquisition of a subsidiary

In 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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 March 2024.

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 2023 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 material accounting policies are described in Note 2.6.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Change in presentation of consolidated income statement

The Group changed its presentation of the consolidated income statement to re-order two financial statement captions: net finance costs and fair value changes in investment properties. As a result, certain headings and subtotals have also been aligned. The change is intended to facilitate economic decision-making needs of users and does not impact the profit for the year. This change in presentation was also applied retrospectively with no impact on the comparative results.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, 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 and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONT'D)

2.5 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 to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- 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 Head of Finance, 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).

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

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

Further information about the assumptions made in measuring fair values are included in the following notes:

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

2 BASIS OF PREPARATION (CONT'D)

2.6 Changes in accounting policies

New accounting 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 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

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.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.6, which addresses changes in material accounting policies.

In addition, the Group adopted the Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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.

(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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(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.

3.3 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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).

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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

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.

(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.

(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.

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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Cash flow hedges (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(viii) Intra-group financial guarantees in the separate financial statements (cont'd)

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

3.4 Property, plant and equipment

Items of property, plant and equipment are measured 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.

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 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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Investment properties (cont'd)

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.

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.

3.6 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

As a lessee (cont'd)

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.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including 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'.

3.7 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").

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.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

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

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.

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 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 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.

3.9 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions 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.

3.10 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.

3.11 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 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 over time as the services are rendered.

3.12 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.

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 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 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.

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.

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 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.

3.16 New standards and amendments not adopted

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

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property $'000	Right-of-use asset $'000	Leasehold improvements $'000	Paintings and sculptures $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 January 2022	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
Additions	**–**	**247**	**–**	**765**	**1,244**	**1,320**	**3,576**
Disposals	**–**	**–**	**(626)**	**–**	**(664)**	**(816)**	**(2,106)**
Effects of movements in exchange rate	**(18)**	**(14)**	**30**	**–**	**(11)**	**28**	**15**
At 31 December 2023	**1,582**	**1,205**	**886**	**49,442**	**7,292**	**3,183**	**63,590**
Accumulated depreciation							
At 1 January 2022	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
Depreciation charge for the year	**31**	**308**	**92**	**–**	**435**	**374**	**1,240**
Disposals	**–**	**–**	**(626)**	**–**	**(661)**	**(513)**	**(1,800)**
Effects of movements in exchange rate	**(4)**	**–**	**17**	**–**	**1**	**7**	**21**
At 31 December 2023	**378**	**573**	**533**	**–**	**5,160**	**1,174**	**7,818**
Carrying amounts							
At 1 January 2022	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
At 31 December 2023	**1,204**	**632**	**353**	**49,442**	**2,132**	**2,009**	**55,772**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Right-of-use asset $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Paintings $'000	Total $'000
Cost					
At 1 January 2022	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
Additions	**13**	**72**	**754**	**–**	**839**
Derecognition	**(5,381)**	**–**	**–**	**–**	**(5,381)**
At 31 December 2023	**–**	**3,722**	**1,789**	**3**	**5,514**
Accumulated depreciation					
At 1 January 2022	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
Depreciation charge for the year	**938**	**58**	**183**	**–**	**1,179**
Derecognition	**(5,381)**	**–**	**–**	**–**	**(5,381)**
At 31 December 2023	**–**	**3,597**	**348**	**–**	**3,945**
Carrying amounts					
At 1 January 2022	2,035	100	516	3	2,654
At 31 December 2022	925	111	870	3	1,909
At 31 December 2023	**–**	**125**	**1,441**	**3**	**1,569**

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. The lease ended on 31 October 2023.

5 INVESTMENT PROPERTIES

	Note	Group 2023 $'000	Group 2022 $'000
Freehold properties			
At 1 January		**3,214,716**	2,511,220
Capital expenditure/addition	(i)	**10,446**	1,305,324
Disposals		**(67,900)**	–
Fair value changes		**(468,852)**	(189,541)
Exchange differences		**115,992**	(412,287)
At 31 December		**2,804,402**	3,214,716
Leasehold properties			
At 1 January		**2,541,399**	2,441,773
Capital expenditure		**154,634**	31,318
Disposal		**–**	(13,600)
Fair value changes		**104,931**	90,792
Exchange differences		**2,403**	(8,884)
At 31 December		**2,803,367**	2,541,399
Total investment properties		**5,607,769**	5,756,115

(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. 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 $120,000 (2022: $240,000) was charged and recognised as rental income in profit or loss.

Certain investment properties with carrying value amounting to $5,505,747,000 (2022: $4,546,238,000) 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, and Cushman & Wakefield Debenham Tie Leung Limited. 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 key assumptions.

In 2023, the Group recognised a net fair value loss of $363,921,000 (2022: $98,749,000) on its investment properties. See Note 36 – Determination of fair values for disclosure on the valuation techniques used by the independent valuers.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6 SUBSIDIARIES

	Company 2023 $'000	Company 2022 $'000
Equity investments, at cost	**643,922**	1,474,063
Discount implicit in interest-free loans to subsidiaries	**2,161**	2,161
Impairment loss	**(123,109)**	(7,152)
	522,974	1,469,072

Impairment loss

Impairment loss of $115,957,000 (2022: nil) was recognised on the Company's investment in subsidiaries, taking into consideration the fair values of the underlying assets and liabilities held by the subsidiaries. The fair value measurement was categorised as a Level 3 in the fair value hierarchy as it is derived from unobservable inputs.

Details of the material subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity held by the Group 2023 %	Effective equity held by the Group 2022 %
Ho Bee Developments Pte Ltd	Singapore	**100**	100
Ho Bee Realty Pte Ltd	Singapore	**100**	100
Ho Bee (One North) Pte Ltd	Singapore	**100**	100
HB Croydon Pte Ltd	Singapore	**100**	100
HB Doncaster 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
Grandeur Property Investments Ltd#	British Virgin Islands	**100**	100
34 Leadenhall Street Limited#	Island of Jersey	**100**	100
HB Lime Street Limited#	Island of Jersey	**100**	100

Not required to be audited under the laws in the country of incorporation.

KPMG LLP are the auditors of all material Singapore-incorporated subsidiaries.
KPMG Melbourne are the auditors of all material Australia-incorporated subsidiaries.
The Group does not have non-controlling interest of which its results are material to the Group.

6 SUBSIDIARIES (CONT'D)

Acquisition of a subsidiary

In 2022, the Group acquired a 100% interest in 34 Leadenhall Street Limited 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.

7 ASSOCIATES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interests in associates	**53,902**	108,180	**4,136**	7,237

There was no associate that was individually material to the Group (2022: nil).

Reconciliation of carrying amounts of interest in associates

	Group
	$'000
Balance at 1 January 2023	**108,180**
Group's share of results from continuing operations	**(6,830)**
Group's writeback of provision for foreseeable loss during the year	**1,624**
Dividends declared during the year	**(46,813)**
Foreign currency translation differences	**(2,259)**
Balance at 31 December 2023	**53,902**

	Group
	$'000
Balance at 1 January 2022	369,545
Group's share of results from continuing operations	32,111
Group's writeback of provision for foreseeable loss during the year	600
Capital reduction with no change in effective shareholding	(122,760)
Dividends declared during the year	(138,814)
Foreign currency translation differences	(32,502)
Balance at 31 December 2022	108,180

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

8 JOINTLY-CONTROLLED ENTITIES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interests in jointly-controlled entities	**379,392**	433,124	**310,092**	378,185
Impairment loss	**–**	–	**(87,937)**	(87,937)
	379,392	433,124	**222,155**	290,248

There was no jointly-controlled entity that was individually material to the Group (2022: nil). These jointly-controlled entities are structured as separate vehicles and the Group has a residual interest in their net assets.

Reconciliation of carrying amounts of interest in jointly-controlled entities

	Group
	$'000
Balance at 1 January 2023	**433,124**
Group's share of results from continuing operations	**12,363**
Intra-group eliminations[1]	**(3,983)**
Group's capital contribution during the year	**8,245**
Group's redemption of preference shares	**(68,093)**
Foreign currency translation differences	**(2,264)**
Balance at 31 December 2023	**379,392**

	Group
	$'000
Balance at 1 January 2022	395,501
Group's share of results from continuing operations	21,987
Group's writeback of allowance for foreseeable losses on development projects	24,000
Adjusted Group's share of results	45,987
Intra-group eliminations[1]	(2,148)
Group's capital contribution during the year	1,379
Foreign currency translation differences	(7,595)
Balance at 31 December 2022	433,124

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

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

Company

The cumulative impairment loss as at 31 December 2023 is $87,937,000 (2022: $87,937,000).

During the year, no impairment loss was recognised (2022: writeback of impairment loss of $37,560,000) on the Company's investment in its jointly-controlled entities, taking into consideration the net realisable values of the underlying assets held by the jointly-controlled entities.

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

	Company	
	2023	**2022**
	$'000	**$'000**
At 1 January	**87,937**	125,497
Writeback of impairment loss for the year	**–**	(37,560)
At 31 December	**87,937**	87,937

9 OTHER ASSETS

	Group	
	2023	**2022**
	$'000	**$'000**
At cost		
Club membership	**150**	150

10 FINANCIAL ASSETS

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Non-current					
Investments designated at FVTPL:					
- Quoted equity securities		**5,368**	4,089	**–**	–
- Private equity funds		**–**	81	**–**	–
- European property fund		**27,939**	33,961	**27,939**	33,961
Investments mandatorily at FVTPL:					
- Debt instruments – subscription of notes	(i)	**31,225**	26,265	**31,225**	26,265
Investments designated at FVOCI:					
- Unquoted equity securities		**77**	78	**–**	–
		64,609	64,474	**59,164**	60,226
Current					
Investments mandatorily at FVTPL:					
- Debt instruments – subscription of notes	(i)	**2,524**	17,385	**2,524**	17,385
		67,133	81,859	**61,688**	77,611

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 FINANCIAL ASSETS (CONT'D)

(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.

11 OTHER RECEIVABLES

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Non-current assets					
Other deposits		**620**	–	**1**	–
Other receivables		**–**	734	**–**	–
Prepayments		**100**	386	**–**	–
		720	1,120	**1**	–
Amounts due from subsidiaries (non-trade)					
- interest bearing	(i)	**–**	–	**934,189**	743,943
- non-interest bearing	(ii)	**–**	–	**951,330**	499,319
		–	–	**1,885,519**	1,243,262
Amounts due from jointly-controlled entities (non-trade)					
- interest bearing	(i)	**30,959**	117,506	**10,468**	117,506
- non-interest bearing	(ii)	**7,147**	6,933	**6,680**	6,458
		38,106	124,439	**17,148**	123,964
		38,826	125,559	**1,902,668**	1,367,226

(i) Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 8.11% (2022: 2.00% to 5.00%) and 3.60% to 12.70% (2022: 2.00% to 3.60%) 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 2022 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2022 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2023 $'000
Group							
Deferred tax liabilities							
Investment properties	23,877	(8,415)	(2,082)	13,380	**(13,449)**	**216**	**147**
Development properties	2,165	3,845	(373)	5,637	**4,298**	**(36)**	**9,899**
Others	57	1,137	(43)	1,151	**1,062**	**4**	**2,217**
	26,099	(3,433)	(2,498)	20,168	**(8,089)**	**184**	**12,263**
Deferred tax assets							
Tax losses	142	127	(14)	255	**272**	**5**	**532**

13 DEVELOPMENT PROPERTIES

	Group 2023 $'000	Group 2022 $'000
Properties for which revenue is to be recognised at a point in time		
Properties held for sale	**78,551**	77,378
Properties under development	**438,769**	493,482
	517,320	570,860
Allowance for foreseeable losses	**(1,206)**	(494)
Total development properties	**516,114**	570,366

During the year, development properties of $128,373,000 (2022: $120,947,000) were recognised as cost of sales and included in 'cost of sales – residential development projects'.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

13 DEVELOPMENT PROPERTIES (CONT'D)

Movements in allowance for foreseeable losses are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	**(494)**	(551)
Allowance made	**(692)**	–
Exchange differences	**(20)**	57
At 31 December	**(1,206)**	(494)

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, allowance for foreseeable losses of $692,000 (2022; nil) was made due to the Group's write-down of properties held for sale to net realisable values.

Certain development properties with carrying value amounting to $27,314,000 (2022: $26,934,000) were pledged to secure banking facilities granted to the Group (see Note 18).

14 TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**35,364**	16,577	**–**	–
Accrued rent receivables	**3,847**	5,270	**–**	–
Impairment losses	**(52)**	(50)	**–**	–
Net trade receivables	**39,159**	21,797	**–**	–
Other deposits	**6,263**	7,824	**121**	150
Amounts due from:				
- subsidiaries (non-trade)				
- interest bearing	**–**	–	**30,931**	8,997
- non-interest bearing	**–**	–	**19,646**	5,190
- jointly-controlled entities (non-trade)				
- interest bearing	**18,976**	12,959	**–**	–
- non-interest bearing	**219**	–	**218**	–
Other receivables	**3,707**	82,770	**–**	65,108
Derivative financial asset	**4,923**	12,300	**–**	–
	73,247	137,650	**50,916**	79,445
GST recoverable	**6,619**	1,903	**–**	–
Prepayments	**2,606**	1,157	**66**	168
Tax recoverable	**1,243**	4,207	**–**	–
	83,715	144,917	**50,982**	79,613

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% (2022: 2.00% to 2.50%) and 7.50% to 10.00% (2022: 7.50%) per annum, respectively.

In 2022, other receivables included an amount of $58,593,000 pertaining to dividend declared and receivable from a China associate. The amount has been fully received in 2023.

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").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	**81,704**	80,167	**2,604**	11,209
Fixed deposits	**90,973**	247,219	**20,040**	149,681
	172,677	327,386	**22,644**	160,890

The weighted average effective interest rates relating to fixed deposits at the balance sheet date for the Group is 4.76% (2022: 3.78%) per annum.

16 SHARE CAPITAL

	Group and Company	
	2023	**2022**
	Number of shares	**Number of shares**
	'000	**'000**
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	**703,338**	703,338

As at 31 December 2023, included in the total number of ordinary shares was 39,321,600 (2022: 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.

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	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Borrowings	**3,064,684**	3,424,704	**273,728**	1,074,520
Less: Cash and cash equivalents	**(172,677)**	(327,386)	**(22,644)**	(160,890)
Net debt	**2,892,007**	3,097,318	**251,084**	913,630
Total equity (excluding non-controlling interests)	**3,595,967**	3,915,729	**2,123,906**	2,293,249
Net gearing ratio	**0.80**	0.79	**0.12**	0.40

Certain entities in the Group are required to comply with externally imposed capital requirements in respect of some of their external borrowings, and these have either been complied with, or waived by the lenders during the year.

17 RESERVES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Reserve for own shares	**(67,796)**	(67,796)	**(67,796)**	(67,796)
Capital reserve	**791**	791	**–**	–
Hedging reserve	**(9,345)**	12,300	**(2,931)**	–
Foreign currency translation reserve	**(117,664)**	(132,513)	**–**	–
Retained earnings	**3,633,933**	3,946,899	**2,038,585**	2,204,997
	3,439,919	3,759,681	**1,967,858**	2,137,201

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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.

18 LOANS AND BORROWINGS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**2,484,587**	2,193,486	**161,338**	143,033
Unsecured bank loan	**100,000**	–	**100,000**	–
Lease liabilities	**426**	493	**–**	–
	2,585,013	2,193,979	**261,338**	143,033
Current liabilities				
Secured bank loans	**479,439**	1,230,498	**12,390**	930,515
Lease liabilities	**232**	227	**-**	972
	479,671	1,230,725	**12,390**	931,487
	3,064,684	3,424,704	**273,728**	1,074,520

The bank loans are secured on the following assets:

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Investment properties	5	**5,505,747**	4,546,238
Development properties	13	**27,314**	26,934
Carrying amounts		**5,533,061**	4,573,172

In addition, the Group's bank loans are secured by legal assignment of sales and rental proceeds of the above properties pledged.

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 2023				
Secured bank loans	**2.96 – 6.67**	**2024 – 2028**	**2,964,026**	**2,964,026**
Unsecured bank loan	**5.81**	**2025**	**100,000**	**100,000**
Lease liabilities	**4.00**	**2024 – 2028**	**706**	**658**
31 December 2022				
Secured bank loans	1.05 – 5.05	2023 – 2026	3,423,984	3,423,984
Lease liabilities	4.00	2023 – 2028	786	720
Company				
31 December 2023				
Secured bank loans	**4.60 – 4.79**	**2027**	**173,728**	**173,728**
Unsecured bank loan	**5.81**	**2025**	**100,000**	**100,000**
31 December 2022				
Secured bank loans	1.17 – 5.05	2023 – 2025	1,073,548	1,073,548
Lease liabilities	2.50	2023	983	972

The Group's bank loans are all pegged to floating rates.

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees provided by the Company to banks in respect of banking facilities amounting to $2,892,399,000 (2022: $2,464,332,000) 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	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Less than 1 year	**–**	111,475	**470,177**	410,662
Between 1 and 5 years	**93,975**	–	**2,422,222**	2,053,670
More than 5 years	**–**	–	**–**	–
	93,975	111,475	**2,892,399**	2,464,332

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivative liabilities/ (assets) held to hedge long-term borrowings	
	Bank loans	**Lease liabilities**	**Amount due to non-controlling shareholder**	**Interest rate swap – net liabilities/ (assets)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'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
Balance at 1 January 2023	**3,423,984**	**720**	**2,705**	**(12,300)**	**3,415,109**
Changes from financing cash flows					
Proceeds from bank loans	**1,210,614**	**–**	**–**	**–**	**1,210,614**
Repayment of liabilities	**(1,672,655)**	**(312)**	**–**	**–**	**(1,672,967)**
Interest paid	**(165,757)**	**(32)**	**–**	**–**	**(165,789)**
Total changes from financing cash flows	**(627,798)**	**(344)**	**–**	**–**	**(628,142)**
Exchange differences	**100,248**	**4**	**(24)**	**–**	**100,228**
Fair value changes	**–**	**–**	**–**	**21,645**	**21,645**
Other changes					
Liability-related					
Lease liabilities recognised	**–**	**246**	**–**	**–**	**246**
Interest expense	**167,592**	**32**	**–**	**–**	**167,624**
Total liability-related other changes	**167,592**	**278**	**–**	**–**	**167,870**
Balance at 31 December 2023	**3,064,026**	**658**	**2,681**	**9,345**	**3,076,710**

19 OTHER LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amount due to subsidiary (non-trade)	**–**	–	**–**	27,276
Rental deposits	**20,026**	24,909	**–**	–
Sales deposits	**4,560**	–	**–**	–
Amount due to non-controlling shareholder (non-trade)	**2,681**	2,705	**–**	–
Amount due to related company (non-trade)	**5,024**	–	**5,024**	–
	32,291	27,614	**5,024**	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.

Amount due to a related company (non-trade) is unsecured and interest-free, and not expected to be repayable within the next 12 months.

20 DEFERRED INCOME

	Group	
	2023	2022
	$'000	$'000
Rental advances from tenants:		
- non-current	**41,853**	46,525
- current	**2,001**	1,671
	43,854	48,196

Included within rental advances from tenants is an amount of $40,513,000 (2022: $42,183,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Sales deposits	**12,333**	10,758	**–**	–
Rental deposits	**3,412**	5,112	**–**	–
Advance rental	**18,862**	28,880	**–**	–
Accrued operating expenses and development expenditure	**59,213**	26,542	**3,242**	6,688
Amounts due to subsidiaries (non-trade)	**–**	–	**345,242**	37,526
Other payables	**44,403**	29,257	**–**	47
Derivative financial liabilities	**17,528**	–	**17,528**	–
Goods and services tax payable	**8,310**	7,584	**299**	273
	164,061	108,133	**366,311**	44,534

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	
	2023	**2022**
	$'000	**$'000**
Revenue from contracts with customers:		
- sales of development properties, transferred at a point in time	**189,072**	175,940
Rental income and service charges from:		
- investment properties	**252,961**	255,844
- development properties	**2,837**	3,838
	444,870	435,622

23 OTHER GAINS AND FAIR VALUE CHANGES

	Group	
	2023	**2022**
	$'000	**$'000**
Income from property management services	**1,515**	1,263
Management fee income	**3,454**	878
Dividend income from investment at FVTPL	**112**	167
Realised gains from financial assets at FVTPL	**2**	73
Fair value changes in financial assets at FVTPL	**(12,963)**	27,286
Gain on disposal of investment properties	**46,480**	2,806
Surrender premium received from tenant	**8,929**	–
Rent top-up received from vendor	**3,892**	–
Right-to-lights compensation	**–**	4,064
Dilapidation income	**–**	1,799
Others	**1,290**	842
	52,711	39,178

24 DIRECTORS' REMUNERATION

Number of directors in remuneration bands:

	2023 Number of Directors	**2022 Number of Directors**
$500,000 and above	**3**	3
$250,000 to $499,999	**–**	–
Below $250,000	**6***	6*
Total	**9**	9

* Comprises 6 (2022: 6) non-executive directors.

25 FINANCE INCOME AND FINANCE COSTS

	Group	
	2023	**2022**
	$'000	**$'000**
Interest income from debt investments carried at amortised cost/finance income	**9,920**	3,486
Interest expenses on financial liabilities measured at amortised cost/finance costs	**(167,624)**	(91,505)
Net finance costs recognised in profit or loss	**(157,704)**	(88,019)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

26 INCOME TAX EXPENSE

	Note	Group 2023 $'000	Group 2022 $'000
Current tax expense			
Current year		**43,209**	48,300
Under/(over) provision in respect of prior years		**4,376**	(36,940)
		47,585	11,360
Deferred tax expense			
Movements in temporary differences		**(11,492)**	4,500
Under/(over) provision in respect of prior years		**3,131**	(8,060)
	12	**(8,361)**	(3,560)
Withholding tax		**1,244**	3,003
Total income tax expense		**40,468**	10,803
Reconciliation of effective tax rate			
(Loss)/profit for the year		**(259,037)**	167,106
Total income tax expense		**40,468**	10,803
(Loss)/profit before income tax		**(218,569)**	177,909
Tax calculated using Singapore tax rate of 17% (2022: 17%)		**(37,157)**	30,245
Expenses not deductible for tax purposes		**104,862**	43,118
Tax exempt revenue		**(70)**	(122)
Income not subject to tax		**(41,834)**	(7,253)
Effect of different tax rates in other countries		**9,785**	4,131
Effect of results of equity-accounted investees presented net of tax		**(288)**	(13,027)
Withholding tax		**1,244**	3,003
Tax incentives		**(3,581)**	(3,907)
Utilisation of previously unrecognised tax losses		**–**	(385)
Under/(over) provision in respect of prior years		**7,507**	(45,000)
		40,468	10,803

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 (LOSS)/PROFIT FOR THE YEAR

The following significant items have been included in arriving at (loss)/profit for the year:

		Group	
	Note	2023	2022
		$'000	$'000
Included in staff costs & directors' remuneration:			
- Contributions to defined contribution plans		**781**	679
Included in other operating expenses:			
- Audit fees payable/paid to auditors of the Company		**598**	595
- Non-audit fees paid to auditors of the Company		**349**	892
- Depreciation of property, plant and equipment and right-of-use assets	4	**1,240**	997
- Impairment loss/(writeback of impairment loss) on trade receivables	34	**2**	(685)
- Write-down of properties held for sale to net realisable values	13	**692**	–

28 (LOSS)/EARNINGS PER SHARE

	Group	
	2023	2022
	$'000	$'000
Basic (loss)/earnings per share is based on:		
Net (loss)/profit attributable to ordinary shareholders	**(259,845)**	165,880

The Company does not have any dilutive potential ordinary shares in existence for the current and previous financial years.

	Group	
	2023	2022
	Number of shares	Number of shares
	'000	'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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

29 DIVIDENDS

After the balance sheet date, the Directors proposed the following dividends, which have not been provided for.

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Proposed first and final tax-exempt dividend of 3 cents (2022: 8 cents) per share	**19,920**	53,121

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	
	2023	**2022**
	$'000	**$'000**
Directors' fees	**555**	539
Directors' remuneration:		
- short-term employee benefits	**5,407**	6,296
	5,962	6,835

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

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	
		2023	**2022**
		$'000	**$'000**
Associates and jointly-controlled entities			
Management fee		**3,420**	294
Interest income		**1,991**	1,978
Related corporations			
Rental income		**69**	81
Other operating expenses:			
- insurance on investment properties		**144**	146
- other insurances		**100**	141
- printing		**13**	9
- others		**50**	51
Other related parties			
Donations made	(i)	**1,200**	2,100

(i) The donation of $1,200,000 (2022: $2,100,000) was made to Ho Bee Foundation ("Foundation"), of which Dr Chua Thian Poh, Mr Seow Choke Meng and Ms Josephine Choo are directors.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 LEASES (CONT'D)

(b) Leases as lessor (cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023	**2022**
	$'000	**$'000**
Operating leases under SFRS(I) 16		
Less than one year	**258,596**	239,104
One to two years	**226,572**	199,128
Two to three years	**182,548**	181,370
Three to four years	**153,883**	125,696
Four to five years	**139,833**	113,794
More than five years	**213,670**	298,459
Total	**1,175,102**	1,157,551[#]

[#] *Excluded lease payments to be received for Elementum, which cannot be reliably estimated in 2022.*

32 COMMITMENTS

As at 31 December 2023, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Authorised and contracted for:		
Subscription for additional interest in European property funds and notes	**14,420**	24,859
Development expenditure for properties under development	**21,659**	26,919
Capital expenditure for investment properties	**–**	142,488
Balance sum on purchase of land for development properties	**6,731**	–
	42,810	194,266

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 2023

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 $466,029,000 (2022: $280,300,000) 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.

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.

Cash flow hedges

The Group has entered into interest rate swaps and cross currency interest rate swaps 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 cash flows will occur on a periodic basis until the underlying loans mature 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.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Cash flow hedges (cont'd)

The following table shows the derivatives designated as cash flow hedges by the Group.

	2023	2023	During the year - 2023		
	Nominal amount $'000	Carrying amount - liabilities $'000	Changes in fair value recognised in OCI $'000	Reclassified from hedging reserve to profit or loss $'000	Hedge ineffective-ness recognised in profit or loss $'000
Fixed rate derivatives					
Interest rate swaps	699,315	(6,414)	(18,285)	(429)	–
Cross currency interest rate swaps	175,412	(2,931)	(2,931)	–	–

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 British pound ("GBP"), Australian dollar ("AUD"), and Euro ("EUR").

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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	
	2023	**2022**
	$'000	**$'000**
Impairment loss/(writeback of impairment loss) on trade receivables	**2**	(685)

At the reporting date, the Group has receivables owing from jointly-controlled entities totalling to $57,301,000 (2022: $137,398,000) representing 47% (2022: 51%) of total gross trade and other receivables. Except for these receivables, there was no concentration of credit risk.

Impairment losses

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 2023, no scalar factor has been applied.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	2023		2022	
	Gross carrying amount	**Impairment loss allowance**	**Gross carrying amount**	**Impairment loss allowance**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	**14,569**	**–**	17,907	–
Past due 1 – 30 days	**24,170**	**–**	1,390	–
Past due 31 – 120 days	**349**	**–**	684	–
More than 120 days past due	**123**	**(52)**	1,866	(50)
	39,211	**(52)**	21,847	(50)

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	
	2023	**2022**
	$'000	**$'000**
At 1 January	**50**	871
Impairment loss recognised	**2**	–
Writeback of impairment loss	**–**	(685)
Bad debt written off	**(2)**	(129)
Exchange differences	**2**	(7)
At 31 December	**52**	50

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 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023					
Non-derivative financial liabilities					
Bank loans*	**3,064,026**	**(3,560,783)**	**(661,770)**	**(2,899,013)**	**–**
Rental deposits	**23,438**	**(23,438)**	**(3,412)**	**(20,026)**	**–**
Trade and other payables**	**130,183**	**(130,183)**	**(122,478)**	**(7,705)**	**–**
Lease liability	**658**	**(706)**	**(253)**	**(453)**	**–**
Recognised liabilities	**3,218,305**	**(3,715,110)**	**(787,913)**	**(2,927,197)**	**–**
Financial guarantees (unrecognised)	**–**	**(93,975)**	**–**	**(93,975)**	**–**
	3,218,305	**(3,809,085)**	**(787,913)**	**(3,021,172)**	**–**
31 December 2022					
Non-derivative financial liabilities					
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)

* The contractual cashflows are net of the impact of interest rate swaps/cross currency swaps.
For 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 liabilities, sales deposits and goods and services tax payable.

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements: (cont'd)

		Cash flows			
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
Company					
31 December 2023					
Non-derivative financial liabilities					
Bank loans*	**273,728**	**(307,980)**	**(25,689)**	**(282,291)**	**–**
Amounts due to subsidiaries	**345,242**	**(345,242)**	**(345,242)**	**–**	**–**
Trade and other payables**	**3,242**	**(3,242)**	**(3,242)**	**–**	**–**
Recognised liabilities	**622,212**	**(656,464)**	**(374,173)**	**(282,291)**	**–**
Intragroup financial guarantees (unrecognised)	**–**	**(2,892,399)**	**(470,177)**	**(2,422,222)**	**–**
	622,212	**(3,548,863)**	**(844,350)**	**(2,704,513)**	**–**
31 December 2022					
Non-derivative financial liabilities					
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)	–

* The contractual cashflows are net of the impact of interest rate swaps/cross currency swaps.

** Exclude derivative financial liabilities, goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

Exposure to currency risk

The following table shows the Group's significant exposure to foreign currencies after taking into account cross currency interest rate swaps. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency, and exposure arising from inter-company balances which are considered to be in the nature of interests in the subsidiaries are excluded.

	2023			2022		
	GBP $'000	**AUD $'000**	**EUR $'000**	**GBP $'000**	**AUD $'000**	**EUR $'000**
Group						
Financial assets	**–**	**–**	**61,688**	–	–	77,611
Cash and cash equivalents	**2,267**	**18,073**	**136**	1,468	818	144
Amounts due to subsidiaries	**(269,642)**	**–**	**–**	(30,233)	–	–
Loans and borrowings	**(511,579)**	**–**	**–**	(1,470,837)	(43,273)	–
Net exposure in the statement of financial position	**(778,954)**	**18,073**	**61,824**	(1,499,602)	(42,455)	77,755
Cross currency interest rate swaps	**174,546**	**–**	**–**	–	–	–
Borrowings designated for net investment hedges	**337,033**	**–**	**–**	1,470,837	43,273	–
Net exposure	**(267,375)**	**18,073**	**61,824**	(28,765)	818	77,755
Company						
Financial assets	**–**	**–**	**61,688**	–	–	77,611
Cash and cash equivalents	**2,267**	**18,073**	**132**	1,468	818	144
Amounts due to subsidiaries	**(269,642)**	**–**	**–**	(30,233)	–	–
Loans and borrowings	**(174,546)**	**–**	**–**	(930,758)	(43,273)	–
Net exposure in the statement of financial position	**(441,921)**	**18,073**	**61,820**	(959,523)	(42,455)	77,755
Cross currency interest rate swaps	**174,546**	**–**	**–**	–	–	–
Net exposure	**(267,375)**	**18,073**	**61,820**	(959,523)	(42,455)	77,755

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

The foreign currencies which the Group is significantly exposed to are GBP, AUD and EUR. A 10% strengthening of the SGD against these foreign currencies at the reporting date would (decrease)/increase profit before tax and equity by amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	10% strengthening of SGD	
	Profit before tax $'000	Equity $'000
Group		
31 December 2023		
GBP	**26,737**	**(92,557)**
AUD	**(1,807)**	**(37,136)**
EUR	**(6,182)**	**–**
31 December 2022		
GBP	2,877	(20,559)
AUD	(82)	(42,853)
EUR	(7,776)	–
Company		
31 December 2023		
GBP	**26,737**	**–**
AUD	**(1,807)**	**–**
EUR	**(6,182)**	**–**
31 December 2022		
GBP	95,952	–
AUD	4,245	–
EUR	(7,776)	–

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 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Hedge accounting

Net investment hedges

At 31 December 2023, the Group's amounts relating to items designated as hedging instruments for net investment hedge are as follows:

	Nominal amount	Carrying amount – assets	Carrying amount – liabilities	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item affected in profit or loss because of the reclassification
	$'000	$'000	$'000		$'000	$'000	$'000		$'000	
2023										
Foreign exchange denominated debt (GBP)	**320,046**	**–**	**320,046**	Loans and borrowings	**(255)**	**(255)**	**–**	**NA**	**–**	**NA**
Foreign exchange denominated debt (AUD)	**103,278**	**–**	**103,278**	Loans and borrowings	**(5,523)**	**(5,523)**	**–**	**NA**	**–**	**NA**
	423,324	**–**	**423,324**		**(5,778)**	**(5,778)**	**–**	**NA**	**–**	**NA**
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

	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	$'000	$'000	$'000
For the year ended 31 December 2023			
GBP net investment	**(255)**	**(14,125)**	**–**
AUD net investment	**(5,523)**	**(27,295)**	**–**
	(5,778)	**(41,420)**	**–**
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)	–

NA: Not Applicable

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	Carrying amount		Carrying amount	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Financial assets	**109,949**	377,683	**312,176**	1,011,129
Lease liabilities	**(658)**	(720)	**–**	(972)
Effect of interest rate swaps	**(699,315)**	(450,000)	**(294,315)**	–
Effect of cross currency interest rate swaps	**(175,412)**	–	**(175,412)**	–
	(765,436)	(73,037)	**(157,551)**	1,010,157
Variable rate instruments				
Financial assets	**30,959**	–	**450,075**	–
Bank loans	**(3,064,026)**	(3,423,984)	**(273,728)**	(1,073,548)
Effect of interest rate swaps	**699,315**	450,000	**294,315**	–
Effect of cross currency interest rate swaps	**175,412**	–	**175,412**	–
	(2,158,340)	(2,973,984)	**646,074**	(1,073,548)

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/cross currency swaps and the other variable rate financial assets and liabilities, an increase of 100 basis points ("bp") in interest rate at the reporting date would (decrease)/increase profit before tax by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	100 bp increase in interest rate	
	2023	2022
	$'000	$'000
Group		
Variable rate instruments	**(21,583)**	(29,740)
Company		
Variable rate instruments	**6,461**	(10,735)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

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 Head of Finance, 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. The non-current loans due from subsidiaries form part of the Company's net investments in subsidiaries where settlements are neither planned nor likely to occur in the foreseeable future. For non-interest bearing amounts, the prevailing market interest rates of similar loans are used to discount the loans due to subsidiaries, due from/to jointly-controlled entities and non-controlling shareholder to arrive at their fair values.

Interest-bearing bank loans

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:

	2023 %	2022 %
Receivables	**3.6 – 12.7**	2.0 – 4.4
Payables	**3.0 – 6.7**	3.0 – 5.1

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 2023 and 31 December 2022. 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/(liabilities) carried at fair value				
Group				
31 December 2023				
Financial assets at FVTPL	**5,368**	**–**	**61,688**	**67,056**
Financial assets at FVOCI	**–**	**–**	**77**	**77**
Interest rate swaps	**–**	**(6,414)**	**–**	**(6,414)**
Cross currency interest rate swaps	**–**	**(2,931)**	**–**	**(2,931)**
	5,368	**(9,345)**	**61,765**	**57,788**
31 December 2022				
Financial assets at FVTPL	4,089	–	77,692	81,781
Financial assets at FVOCI	–	–	78	78
Interest rate swaps	–	12,300	–	12,300
	4,089	12,300	77,770	94,159

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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/cross currency swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps/cross currency 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	Fair value of assets/ (liabilities)
	$'000	$'000
31 December 2023		
Cash flow hedges:		
- Interest rate swaps	**699,315**	**(6,414)**
- Cross currency interest rate swaps	**175,412**	**(2,931)**
	874,727	**(9,345)**
31 December 2022		
Cash flow hedges:		
- Interest rate swaps	450,000	12,300

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	Financial assets at FVOCI	Total
	$'000	$'000	$'000
Group			
2023			
At 1 January	**77,692**	**78**	**77,770**
Fair value changes	**(12,650)**	**–**	**(12,650)**
Realised gain recognised in profit or loss	**2**	**–**	**2**
Exchange differences recognised in profit or loss	**1,594**	**(1)**	**1,593**
Purchases	**10,817**	**–**	**10,817**
Distribution	**(15,277)**	**–**	**(15,277)**
Redemption	**(490)**	**–**	**(490)**
At 31 December	**61,688**	**77**	**61,765**
Total loss for the year included in profit or loss for assets held as at 31 December	**(11,054)**	**(1)**	**(11,055)**

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 3 fair values (cont'd)

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: (cont'd)

	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

The gain for the year included in profit or loss comprises:

	2023 $'000	2022 $'000
Included in other gains and fair value changes:		
- fair value changes	**(12,650)**	29,213
- realised gains from financial assets at FVTPL	**2**	73
Included in exchange differences:		
- exchange differences recognised	**1,593**	(9,628)
	(11,055)	19,658

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 3 fair values (cont'd)

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 $6,706,000 (2022: $8,178,000).

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 2023						
Trade and other receivables, including derivatives*	**107,050**	**–**	**–**	**4,923**	**–**	**111,973**
Financial assets at FVOCI	**–**	**–**	**77**	**–**	**–**	**77**
Financial assets at FVTPL	**–**	**67,056**	**–**	**–**	**–**	**67,056**
Cash and cash equivalents	**172,677**	**–**	**–**	**–**	**–**	**172,677**
Loans and borrowings	**–**	**–**	**–**	**–**	**(3,064,684)**	**(3,064,684)**
Trade and other payables, including derivatives**	**–**	**–**	**–**	**(14,268)**	**(173,775)**	**(188,043)**
	279,727	**67,056**	**77**	**(9,345)**	**(3,238,459)**	**(2,900,944)**
31 December 2022						
Trade and other receivables*	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, including derivatives**	–	–	–	–	(128,163)	(128,163)
	577,908	81,781	78	12,300	(3,552,867)	(2,880,800)

* 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	Fair value - hedging instruments $'000	Financial liabilities at amortised cost $'000	Total $'000
Company					
31 December 2023					
Trade and other receivables*	**1,953,585**	**–**	**–**	**–**	**1,953,585**
Financial assets at FVTPL	**–**	**61,688**	**–**	**–**	**61,688**
Cash and cash equivalents	**22,644**	**–**	**–**	**–**	**22,644**
Loans and borrowings	**–**	**–**	**–**	**(273,728)**	**(273,728)**
Trade and other payables including derivatives**	**–**	**–**	**(2,931)**	**(368,106)**	**(371,037)**
	1,976,229	**61,688**	**(2,931)**	**(641,834)**	**1,393,152**
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

* 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 development : The development and trading in properties.
- Property investment : The investment 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 2023 or 2022.

Information regarding the results of each reportable segment is presented. Performance is measured based on segment operating results, as included in the internal management reports that are reviewed by management. Segment operating results are used to measure performance as management believe that such information is the most relevant in evaluating the results of specific segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Property Development $'000	Property Investment $'000	Others $'000	Total $'000
31 December 2023				
External revenue	**189,072**	**255,798**	**–**	**444,870**
Operating results	**51,148**	**233,364**	**–**	**284,512**
Other gains and fair value changes				**52,711**
Other operating expenses				**(36,300)**
Net finance costs				**(157,704)**
Share of results of associates	**(10,230)**	**–**	**–**	**(10,230)**
Share of results of jointly-controlled entities	**12,363**	**–**	**–**	**12,363**
Fair value changes in investment properties	**–**	**(363,921)**	**–**	**(363,921)**
Income tax expense				**(40,468)**
Loss for the year				**(259,037)**
Other material items:				
Capital expenditure	**–**	**165,080**	**–**	**165,080**
Reportable segment assets	**531,145**	**5,725,662**	**67,133**	**6,323,940**
Investments in associates and jointly-controlled entities*	**490,595**	**–**	**–**	**490,595**
Reportable segment liabilities	**138,450**	**3,008,249**	**–**	**3,146,699**
31 December 2022				
External revenue	175,940	259,682	–	435,622
Operating results	50,014	239,170	–	289,184
Other gains and fair value changes				39,178
Other operating expenses				(42,383)
Net finance costs				(88,019)
Share of results of associates	32,711	–	–	32,711
Share of results of jointly-controlled entities	45,987	–	–	45,987
Fair value changes in investment properties	–	(98,749)	–	(98,749)
Income tax expense				(10,803)
Profit for the year				167,106
Other material items:				
Addition/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

* 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

	2023 $'000	2022 $'000
Assets		
Total assets for reportable segments	**6,256,807**	6,472,909
Assets for other segment	**67,133**	81,859
Investments in equity accounted investees*	**452,956**	554,739
Other unallocated amounts	**199,086**	492,152
Consolidated total assets	**6,975,982**	7,601,659
Liabilities		
Total liabilities for reportable segments	**3,146,699**	3,509,203
Other unallocated amounts	**219,228**	162,464
Consolidated total liabilities	**3,365,927**	3,671,667

* 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 2023			
Capital expenditure	**165,080**	**–**	**165,080**
Depreciation of property, plant and equipment and right-of-use assets	**–**	**(1,240)**	**(1,240)**
31 December 2022			
Addition/capital expenditure	1,336,642	–	1,336,642
Depreciation of property, plant and equipment and right-of-use assets	–	997	997

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023					
Revenue	**103,213**	**152,671**	**188,986**	**-**	**444,870**
Non-current assets*	**3,079,747**	**2,868,382**	**42,069**	**106,787**	**6,096,985**
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

* 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 and the income capitalisation 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 DETERMINATION OF FAIR VALUES (CONT'D)

Investment properties (cont'd)

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.

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 2023				
Investment properties	**–**	**–**	**5,607,769**	**5,607,769**
31 December 2022				
Investment properties	–	–	5,756,115	5,756,115

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 2023 $'000	Investment properties 2022 $'000
Group		
At 1 January	**5,756,115**	4,952,993
Capital expenditure/addition	**165,080**	1,336,642
Disposal	**(67,900)**	(13,600)
Gains and losses for the year		
Fair value changes	**(363,921)**	(98,749)
Exchange differences	**118,395**	(421,171)
At 31 December	**5,607,769**	5,756,115

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

36 DETERMINATION OF FAIR VALUES (CONT'D)

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 2023:

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]: $1,200 - $3,150 psf (2022: $701 - $2,502 psf)	The estimated fair value would increase with higher transacted prices of comparable properties
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2022: 3.50% - 5.00%)	The estimated fair value would increase with a lower capitalisation rate
Commercial properties in the United Kingdom	Income capitalisation approach	Capitalisation rates: 5.00% - 9.81% (2022: 4.21% - 7.66%)	The estimated fair value would increase with a lower capitalisation rate

1 Adjusted for any differences in location, tenure, size and conditions of the specific property.

ADDITIONAL INFORMATION

Investment Properties

Location	Description	Land Tenure	Lettable Area (sq m)	Grop's effective interest
Singapore				
623A Bukit Timah Road	Petrol station	Leasehold - 999 years	1,857	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	34,796	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 38-storey office building	Freehold	36,846	100%

ADDITIONAL INFORMATION

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 QLD	Mixed use site	Freehold	-	11,342	73,723	100%
Ripley Road, Ripley QLD	Land (306 Lots)	Freehold	Under construction	360,848	N.A.	100%
Collingwood Drive, Collingwood QLD	Land (52 Lots)	Freehold	Under construction	22,185	N.A.	100%
Leakes Road, Tarneit VIC	Land (502 Lots)	Freehold	Under construction	478,457	N.A.	100%
Park Ridge Road, Park Ridge QLD	Land (244 Lots)	Freehold	Under construction	185,051	N.A.	84%
Algester Road, Calamvale QLD	Land (3 Lots)	Freehold	Completed	2,754	N.A.	100%
Courtney Drive, Upper Coomera QLD	Land (196 Lots)	Freehold	Under construction	185,500	N.A.	100%
Beaudesert Road, Parkinson QLD	Land (46 Lots)	Freehold	Completed	47,975	N.A.	100%
Bayview Road, Officer VIC	Land (17 Lots)	Freehold	Under construction	11,865	N.A.	100%
Mickleham Road, Mickleham VIC	Land (674 Lots)	Freehold	Under construction	538,400	N.A.	100%
Dunhelen Land, Craigieburn VIC	Land (1,156 Lots)	Freehold	Development approval	684,500	N.A.	100%
Tiuna Grove Elwood VIC	14 apartments	Freehold	Under construction	1,375	3,880	49%
Male Street Brighton VIC	19 apartments	Freehold	Under construction	1,082	5,950	49%
Wollert, VIC	Land (303 Lots)	Freehold	Development approval	157,600	N.A.	49%
Morayfield, QLD	Land (66 Lots)	Freehold	Under construction	41,130	N.A.	50%
Joyner, QLD	Land (209 Lots)	Freehold	Under construction	180,000	N.A.	50%

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	73 apartments	Leasehold - 99 years from 9 June 2007	Residential	18,987	50%
Cape Royale Cove way, Sentosa Cove	214 apartments	Leasehold - 99 years from 7 April 2008	Residential	45,932	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 5 March 2024

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 5 March 2024, 20.76% 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	309	0.00
100 - 1,000	2,257	34.99	2,187,700	0.33
1,001 - 10,000	3,245	50.32	14,596,066	2.20
10,001 - 1,000,000	904	14.02	48,369,989	7.28
1,000,001 and above	27	0.42	598,862,336	90.19
	6,449	100.00	664,016,400	100.00

@ Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. As at 5 March 2024, 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 (Private) Limited	18,917,400	2.85
3	Citibank Nominees Singapore Pte Ltd	16,277,896	2.45
4	Raffles Nominees (Pte.) Limited	11,488,298	1.73
5	Phillip Securities Pte Ltd	7,818,214	1.18
6	Estate of Chua Pin Chong, Deceased	5,783,750	0.87
7	Chua Thiam Chok	4,265,000	0.64
8	Yap Boh Sim	3,300,000	0.50
9	Chua Wee-Chern	3,124,000	0.47
10	Maybank Nominees (Singapore) Private Limited	2,200,000	0.33
11	Desmond Woon Choon Leng	2,100,000	0.32
12	Ong Chong Hua	1,920,000	0.29
13	Chua Siow Ling (Cai Xiaolin) Mrs. Lim-Chua Siow Ling	1,849,900	0.28
14	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	1,788,000	0.27
15	United Overseas Bank Nominees (Private) Limited	1,722,300	0.26
16	Kuik Sin Pin	1,700,000	0.26
17	Tay Wan Huat	1,691,000	0.25
18	Ho Bee Foundation	1,669,200	0.25
19	DB Nominees (Singapore) Pte Ltd	1,549,900	0.23
20	Maybank Securities Pte. Ltd.	1,518,300	0.23
		590,241,658	88.89

** The percentage is calculated based on the number of issued ordinary shares of the Company as at 5 March 2024, excluding 39,321,600 shares held as treasury shares as at that date.

SHAREHOLDING STATISTICS

As at 5 March 2024

SUBSTANTIAL SHAREHOLDERS AS AT 5 MARCH 2024

	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 5 March 2024, 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.

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 36th Annual General Meeting pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

	Chua Thian Poh	**Josephine Choo Poh Hua**	**Bobby Chin Yoke Choong**
Date of appointment	8 August 1987	26 April 2017	29 November 2006
Date of last re-appointment (if applicable)	28 April 2021	28 April 2021	28 April 2021
Age	75	52	72
Country of principal residence	Singapore	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 Dr Chua as Chairman of the Board of Directors, after taking into consideration Dr Chua's qualifications, expertise, experience and overall contribution since he was appointed as a Director	The Board concurred with the NC's recommendation for the re-election of Ms Choo as Non-Executive Independent Director, after taking into consideration Ms Choo's qualifications, expertise, experience and overall contribution since she was appointed as a Director	The Board concurred with the NC's recommendation for the re-election of Mr Chin as Non-Independent Non-Executive Director, after taking into consideration Mr Chin's qualifications, expertise, experience and overall contribution since he was appointed as a Director
Whether appointment is executive, and if so, the area of responsibility	Executive, Dr Chua is the Executive Chairman of the Company	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Chairman • Member of Nominating Committee	• Independent Non-Executive Director • Chairperson of Nominating Committee • Member of Audit and Risk Committee and Board Sustainbility Committee	• Non-Independent Non-Executive Director • Member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee
Professional qualifications	Refer to Corporate Governance Report section of this Annual Report	Refer to Corporate Governance Report section of this Annual Report	Refer to Corporate Governance Report section of this Annual Report • Distinguished Lifetime Member of Institute of Singapore Chartered Accountants • Fellow of the Institute of Chartered Accountants in England & Wales
Working experience and occupation(s) during the past 10 year	Refer to Board of Directors' profile and Corporate Governance Report sections of this Annual Report	Refer to Board of Directors' profile and Corporate Governance Report sections of this Annual Report	Refer to Board of Directors' profile and Corporate Governance Report sections of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Refer to the Directors' Statement and Shareholding Statistics sections of this Annual Report	None	Refer to the Directors' Statement section of this Annual Report

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/RE-ELECTION

	Chua Thian Poh	Josephine Choo Poh Hua	Bobby Chin Yoke Choong
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	Father of Mr Nicholas Chua who is an Executive Director and the CEO of the Company. A substantial shareholder of the Company.	No	No
Conflict of interest (including any competing business)	No	No	Frasers Property Limited (property investments and development) and AV Jennings Limited (residential property development in Australia) To recuse from meetings or discussions and abstain from voting on matters in case any conflict(s) arise
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other principal commitments, including directorships			
Past (for the last 5 years)	Nil	Nil	(1) Singapore Telecommunications Limited (2) Yeo Hiap Seng Limited (3) Frasers Logistics & Commercial Asset Management Pte. Ltd. (Manager of Frasers Logistics & Commercial Trust) (4) Frasers Commercial Asset Management Ltd (Manager of Frasers Commercial Trust) (5) NTUC Fairprice Cooperative Ltd (6) NTUC Fairprice Foundation Ltd (7) NTUC Enterprise Co-operative Limited (8) Singapore Labour Foundation (9) Housing and Development Board

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/RE-ELECTION

	Chua Thian Poh	Josephine Choo Poh Hua	Bobby Chin Yoke Choong
Present	Other listed companies: Nil Other non-listed companies: (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) (7) Singapore Thong Chai Medical Institution (Honorary Chairman) (8) Bishan East Citizens' Consultative Committee (Honorary Chairman)	Other listed companies: Nil Other non-listed companies: (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)	Other listed companies: (1) AV Jennings Limited (Independent Director) (2) Frasers Property Limited (Independent Director) Other non-listed companies: (1) Temasek Holdings (Private) Limited (Director) (2) Singapore Health Services Pte Ltd (Director) (3) Corporate Governance Advisory Committee (Chairman) (4) NTUC Fairprice Co-operative Ltd (Senior Adviser) (5) Sunseap Group Pte Ltd (Member, Advisory Board)
Responses to Sections (a) to (k) under Appendix 7.4.1 of the Listing Manual	Negative confirmation	Negative confirmation	Negative confirmation

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

LI XIANGRUN
Head of Finance

LOH LEE HONG
General Manager,
Sales and Marketing

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

LI XIANGRUN

COMPANY REGISTRATION NO.

198702381M

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EXTERNAL AUDITORS

KPMG LLP
Partner-In-Charge:
Ms Shelley Chan Hoi Yi (since 2020)
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