

# CORPORATE GOVERNANCE

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

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

The Company complies with the principles of the Code and is guided in its corporate governance practices by the provisions of the Code. To the extent the Company's practices may vary from any provision, we will explain the reason for the variation and how its practices nonetheless are consistent with the intent of the relevant principle of the Code. The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code setting out the best practices for companies. We continue to strive towards maintaining accountability and transparency and strengthen investor and stakeholder confidence in the Group.

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

## A. BOARD MATTERS

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

The Company is headed by an effective Board comprising members with different skill sets and experience and professionals from various disciplines. The Board is entrusted with the responsibility for the overall management of the Group.

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

The Board undertakes all duties and responsibilities outlined below:

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

During the financial year ended 31 December 2021, the Board has continued to spend time monitoring the impact from COVID-19 and has been working closely with Management in reviewing business opportunities and challenges posed by the COVID-19 pandemic. Pertinent issues were reviewed by the Board in the face of the pandemic, including changes to business fundamentals and the significant risks facing the Group as a result of the pandemic. The pandemic has accelerated digitalisation efforts within the Group since 2020.

In line with Provision 1.1 of the Code, the Board confirms its fiduciary commitments to act objectively in the best interests of the Company.

Pursuant to SGX Listing Rule 720(1), all directors and key executive officers had signed an undertaking in the prescribed form to use their best endeavours to comply with SGX Listing Rules and to procure the Company's compliance.

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## Delegation by the Board to the Board committees

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

The Board holds four scheduled meetings and an annual business review meeting each year. Scheduled meetings for the Board committees are also arranged annually. Ad hoc meetings for the Board and Board committees are convened as and when necessary to address any specific matters. Other than the physical meetings, decisions of the Board and Board committees are also made by way of circular resolutions in writing as permitted by the Company’s Constitution and the Terms of References of the various Board committees.

There was a total of five Board meetings (including the annual business review meeting), four ARC meetings, three NC meetings and two RC meetings held in the year ended 31 December 2021 (“**FY2021**”).

In addition, the Lead Independent Director can call for exclusive meetings with the independent directors and/or other non-executive directors as and when necessary to discuss sensitive and confidential matters which are best done without Management’s presence. The Lead Independent Director will provide feedback to the Chairman of the Board as appropriate. Mr Lim Swee Say was appointed the Lead Independent Director in place of Mr Bobby Chin Yoke Choong with effect from 31 December 2021.

The attendance of the directors at Board and Board committee meetings in FY2021 was as follows:

	Board	ARC	NC	RC
<b>Number of meetings held in FY2021</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>
Chua Thian Poh	5	N.A.	3	N.A.
Ong Chong Hua	5	N.A.	N.A.	N.A.
Desmond Woon Choon Leng <sup>(1)</sup>	5	N.A.	N.A.	N.A.
Bobby Chin Yoke Choong	5	4	3	N.A.
Jeffery Chan Cheow Tong <sup>(2)</sup>	4	4	N.A.	2
Ko Kheng Hwa	5	4	3	N.A.
Seow Choke Meng	5	N.A.	3	2
Josephine Choo Poh Hua	5	4	N.A.	2
Pauline Goh <sup>(3)</sup>	2	N.A.	2	1
Lim Swee Say <sup>(4)</sup>	1	1	1	N.A.

N.A.means not applicable

<sup>(1)</sup> Mr Desmond Woon retired as a director of the Company on 1 January 2022.

<sup>(2)</sup> Mr Jeffery Chan retired as a director of the Company on 31 December 2021.

<sup>(3)</sup> Ms Pauline Goh was appointed to the Board as a director of the Company on 29 April 2021. Ms Goh attended all Board and Board Committee meetings held since her appointment.

<sup>(4)</sup> Mr Lim Swee Say was appointed to the Board as a director of the Company on 1 October 2021. Mr Lim attended all Board and Board Committee meetings held since his appointment.

Directors are provided with detailed financial statements and reports for each Board meeting which are required to be circulated at least seven days in advance of each meeting. These include disclosure documents, management accounts, budgets and information pertaining to matters to be brought before the Board. In addition, all relevant information on material transactions and events are circulated to directors as and when they arise.

At each quarterly meeting, the independent directors are briefed by the executive directors and senior management on the Group’s business, financial matters and risks. They are also briefed on key developments in the real estate industry both locally and overseas. Directors are entitled to request from Management for additional information to assist them in making more informed decisions.

During the course of the year under review, the Board was briefed on the Company’s COVID-19 business continuity plans and health and safety procedures to mitigate the impact of the pandemic on our business operations. The Board was also updated of the changing mandatory requirements due to the rapidly evolving COVID-19 situation.

Every Board member has independent and full access to the senior management, auditors, company secretary and other employees. The directors can seek independent legal and professional advice, if necessary, at the Company’s expense, to enable them to fulfill their duties and responsibilities.

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

The Company Secretary facilitates the communication between the Management and the Board and its various Board Committees. She also solicits and consolidates directors' feedback and evaluations from time to time. In addition, she arranges orientation programmes for new directors and assists with their professional development, as required.

## **Matters requiring Board's approval**

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

- annual budgets;
- half-yearly and full year results announcements;
- annual reports (including sustainability 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.

All matters which are not specifically reserved for the Board and necessary for the day-to-day management of the Company and the implementation of corporate objectives are delegated to Management.

The Board has an established policy on delegation of authority and set authorisation limits delegated to Management for specific types of transactions (including investments, acquisitions and divestments) to enable efficient and effective management of the Company's affairs while at the same time ensuring that the Board's approval is required on more significant and key strategic decisions.

## **Conflicts of interest**

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

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

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

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## Principle 2: Board Composition and Guidance

With effect from 1 January 2022, the Board was reconstituted with nine members, comprising three executive directors, five independent non-executive directors and one non-independent non-executive director:

Dr Chua Thian Poh	Executive Chairman
Mr Nicholas Chua	CEO and Executive Director
Mr Ong Chong Hua	COO and Executive Director
Mr Lim Swee Say	Lead Independent Director
Mr Ko Kheng Hua	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 of the directors have real estate experience gained from this Board, as well as from other boards or organisations, the Board also comprises individuals with diverse skills, qualifications and backgrounds which include sustainability, accounting, audit, legal, banking, investment, government, technology start-up, general management and business experience.

Details on the profile of the directors are set out on pages 16 to 18 of the Annual Report.

### Key information on the directors

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

#### CHUA THIAN POH, 73

##### Executive Chairman

Date of first appointment as director: 8 August 1987

Date of last re-appointment as director: 28 April 2021

<b>Board committee(s) served on</b>	Nominating Committee (Member)
<b>Academic and professional qualification(s)</b>	Not applicable.
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> Nil</p> <p><b>Other principal commitments<sup>(1)</sup></b>                      (1) Singapore Federation of Chinese Clan Associations (Honorary President)                      (2) Singapore Chinese Cultural Centre (Chairman)                      (3) Singapore Hokkien Huay Kuan (Vice-Chairman of Board of Governors)                      (4) Singapore Chinese Chamber of Commerce &amp; Industry (Honorary President)                      (5) Ren Ci Hospital (Honorary Chairman)                      (6) Chinese Development Assistance Council Board of Trustee (Chairman)                      (7) Ho Bee Foundation (Member/Chairman)                      (8) Council of Presidential Advisers (Member)</p>
<b>Past directorships in other listed companies held over preceding 5 years</b>	Nil
<b>Shareholding interests in the Company</b>	Refer to Directors' statement and Shareholding Statistics on pages 80 and 170 respectively.
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Father of Mr Nicholas Chua who is the CEO of the Company.

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

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## NICHOLAS CHUA, 46

**Executive Director**

**Chief Executive Officer**

Date of first appointment as director: 1 January 2022

Date of next re-appointment as director: 21 April 2022<sup>(1)</sup>

<b>Board committee(s) served on</b>	Nil
<b>Academic and professional qualification(s)</b>	Bachelor of Science in Finance and Marketing
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> Nil</p> <p><b>Other principal commitments<sup>(2)</sup></b>            (1) Absolutecar E-Services Pte. Ltd. (Director)            (2) Absolutecar Services Pte. Ltd. (Director)            (3) Chua Foundation (Chairman)            (4) One Hill Capital Pte. Ltd. (Director)            (5) One Hill Holdings Pte. Ltd. (Director)            (6) One Hill Trust Pte. Ltd. (Director)</p>
<b>Past directorships in other listed companies held over preceding 5 years</b>	Nil
<b>Shareholding interests in the Company</b>	Refer to Directors' statement and Shareholding Statistics on pages 80 and 170 respectively.
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Son of Dr Chua Thian Poh who is the Executive Chairman and controlling shareholder of the Company.

<sup>(1)</sup> Mr Nicholas Chua will cease to be a director under Article 108 of the Company's Constitution at the 34th annual general meeting and he has offered himself for re-election.

<sup>(2)</sup> Mr Nicholas Chua holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company.

## ONG CHONG HUA, 67

**Executive Director**

**Chief Operating Officer**

Date of first appointment as director: 11 August 1995

Date of next re-appointment as director: 21 April 2022<sup>(1)</sup>

<b>Board committee(s) served on</b>	Nil
<b>Academic and professional qualification(s)</b>	Master's Degree in Town and Regional Planning
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> Nil</p> <p><b>Other principal commitments<sup>(2)</sup></b>            (1) Kingdom Investment Holdings Pte. Ltd. (Director)            (2) FNA Group International Pte. Ltd. (Director)            (3) Focus Network Agencies (Singapore) Pte. Ltd. (Director)</p>
<b>Past directorships in other listed companies held over preceding 5 years</b>	Nil
<b>Shareholding interests in the Company</b>	Refer to Directors' statement and Shareholding Statistics on pages 80 and 170 respectively.
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Nil

<sup>(1)</sup> Mr Ong Chong Hua is retiring by rotation under Article 104 of the Company's Constitution at the 34th annual general meeting and he has offered himself for re-election. Mr Ong is also required under Listing Rule 720(5) to submit himself for re-nomination and re-appointment at least once every 3 years.

<sup>(2)</sup> Besides the principal commitments listed above, Mr Ong Chong Hua holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company. Kingdom Investment Holdings Pte. Ltd. is a subsidiary of Ho Bee Holdings (Pte) Ltd ("HBH"), the substantial shareholder of the Company. FNA Group International Pte. Ltd. and Focus Network Agencies (Singapore) Pte. Ltd. are associates of HBH.

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**LIM SWEE SAY, 67**

**Lead Independent Director**

Date of first appointment as director: 1 October 2021

Date of next re-appointment as director: 21 April 2022<sup>(1)</sup>

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

<sup>(1)</sup> Mr Lim will cease to be a director under Article 108 of the Company's Constitution at the 34th annual general meeting and he has offered himself for re-election.

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## KO KHENG HWA, 67

### Independent Non-Executive Director

Date of first appointment as director: 1 May 2016

Date of last re-appointment as director: 29 April 2020

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

## JOSEPHINE CHOO, 50

### Independent Non-Executive Director

Date of first appointment as director: 26 April 2017

Date of last re-appointment as director: 28 April 2021

<b>Board committee(s) served on</b>	Nominating Committee (Chair), Audit and Risk Committee (Member)
<b>Academic and professional qualification(s)</b>	LL.B. (Honours) Middle Temple (Barrister-at-Law)
<b>Current directorships in other listed companies and other principal commitments</b>	<b>Other listed companies</b> Nil  <b>Other principal commitments</b> (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)
<b>Past directorships in other listed companies held over preceding 5 years</b>	Nil
<b>Shareholding interests in the Company</b>	Nil
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Nil

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## SEOW CHOKE MENG, 72

### Independent Non-Executive Director

Date of first appointment as director: 26 April 2017

Date of last re-appointment as director: 29 April 2020

<b>Board committee(s) served on</b>	Remuneration Committee (Chair), Nominating Committee (Member)
<b>Academic and professional qualification(s)</b>	Bachelor of Science Degree (Honours)
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> Nil</p> <p><b>Other principal commitments</b>            (1) Ren Ci Hospital (Chairman)            (2) Singapore Chinese Cultural Centre (Director)            (3) Chinese Development Assistance Council Board of Trustee (Director)            (4) Straco Leisure Pte Ltd (Director)            (5) Ho Bee Foundation (Member/Director)            (6) TTSH Community Fund (Director)            (7) National Skin Centre Health Fund (Director)            (8) Times Properties Pte Ltd (Director)            (9) Times Development Pte Ltd (Director)            (10) Sin Chew Jit Poh (Singapore) Ltd (Director)            (11) SPH Silver Care Pte Ltd (Director)            (12) Invest Healthcare Pte Ltd (Director)            (13) Orange Valley 3-T Rehab Pte Ltd (Director)            (14) Orange Valley Nursing Homes Pte Ltd (Director)            (15) Orange Valley Properties Pte Ltd (Director)            (16) Life-Medic Healthcare Supplies Pte Ltd (Director)            (17) Ulu Pandan Citizen's Consultative Committee (Vice-Chairman)            (18) Singapore Chinese Chamber of Commerce &amp; Industry (Honorary Council Member)            (19) Kwong Wai Shiu Hospital &amp; Nursing Home (Honorary Director)            (20) Singapore Nutri-Diet Industries Pte Ltd (Director)</p>
<b>Past directorships in other listed companies held over preceding 5 years</b>	Hi-P International Limited
<b>Shareholding interests in the Company</b>	Nil
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Nil



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## PAULINE GOH, 63

### Independent Non-Executive Director

Date of first appointment as director: 29 April 2021

Date of next re-appointment as director: 21 April 2022<sup>(1)</sup>

<b>Board committee(s) served on</b>	Audit and Risk Committee (Member), Remuneration Committee (Member)
<b>Academic and professional qualification(s)</b>	Fellow, Singapore Institute of Surveyors and Valuers (SISV) Fellow, The Royal Institution of Chartered Surveyors Bachelor of Science (Estate Management)
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> Nil</p> <p><b>Other principal commitments</b></p> <ol style="list-style-type: none"> <li>(1) CBRE Pte Ltd (Director and Chairman, South East Asia)</li> <li>(2) CBRE Realty Associates Pte Ltd (Director)</li> <li>(3) CBRE (Vietnam) Co Ltd (Director and Chairman)</li> <li>(4) CBRE Asean Holdings Ltd (Director)</li> <li>(5) Hathi Cre Holdings Co Ltd (Director)</li> <li>(6) Hicre Holdings Co Ltd (Director)</li> <li>(7) WTW Real Estate Sdn Bhd (Director)</li> <li>(8) WTW Property Services Sdn Bhd (Director)</li> <li>(9) C H Williams, Talhar &amp; Wong Sdn Bhd (Director)</li> <li>(10) NUS Department of Real Estate (Department Consultative Committee Member)</li> <li>(11) Archdiocesan Land &amp; Properties Singapore (Member and Chair)</li> <li>(12) Eldercare Trust of NTUC Health Co- Operative Ltd (Trustee)</li> <li>(13) Asia Philanthropic Ventures Pte Ltd (Director)</li> <li>(14) Singapore Institute of Directors (Director)</li> <li>(15) Real Estate Developers' Association Of Singapore (REDAS) (Honorary Real Estate Consultancy Advisor)</li> <li>(16) Singapore Prison Service – Institutional Discipline Advisory Committee (Committee Member)</li> <li>(17) Ngee Ann Polytechnic Council (Council Member)</li> <li>(18) Catholic Foundation Limited (Director)</li> </ol>
<b>Past directorships in other listed companies held over preceding 5 years</b>	Nil
<b>Shareholding interests in the Company</b>	Nil
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Nil

<sup>(1)</sup> Ms Goh will cease to be a director under Article 108 of the Company's Constitution at the 34th annual general meeting and she has offered herself for re-election.

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## BOBBY CHIN, 70

### Non-Independent Non-Executive Director

Date of first appointment as director: 29 November 2006

Date of last re-appointment as director: 28 April 2021

<b>Board committee(s) served on</b>	Audit and Risk Committee (Member), Nominating Committee (Member), Remuneration Committee (Member)
<b>Academic and professional qualification(s)</b>	ACA (Institute of Chartered Accountants in England & Wales)
<b>Current directorships in other listed companies and other principal commitments</b>	<p><b>Other listed companies</b> AV Jennings Limited (Independent Director)</p> <p><b>Other principal commitments</b> (1) Singapore Labour Foundation (Member) (2) NTUC Enterprise Co-operative Limited (Deputy Chairman) (3) NTUC Fairprice Co-operative Ltd (Chairman) (4) NTUC Fairprice Foundation Ltd (Chairman) (5) Temasek Holdings (Private) Ltd (Independent Director) (6) Frasers Logistics &amp; Commercial Asset Management Ltd (Director) (7) Housing and Development Board (Chairman) (8) Corporate Governance Advisory Committee (Chairman)</p>
<b>Past directorships in other listed companies held over preceding 5 years</b>	(1) Sembcorp Industries Ltd (2) Singapore Telecommunications Limited (3) Frasers Commercial Asset Management Ltd (4) Yeo Hiap Seng Ltd
<b>Shareholding interests in the Company</b>	Refer to Directors' statement and Shareholding Statistics on pages 80 and 170 respectively.
<b>Relationship with other director, executive officer, or substantial shareholder of the Company</b>	Nil

Note: Information on directors' shareholdings in the Company and its related corporations is set out in the Directors' Statement on pages 80 and 81 of the Annual Report.

### Proportion of Independent Directors

Provision 2.2 of the Code provides that independent directors should make up majority of the Board where Chairman of the Board is not independent. There are five independent directors, constituting more than 50% of the Board. 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. In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence through the collective weight of the current independent directors on the Board and Board Committees. Additionally, the Board procedures and codes of conduct which are already in place are sufficient to ensure that the Board makes decisions in the best interests of the Company, which is in line with the intent of Principle 2 of the Code.

The independent directors held one independent meeting in FY2021 without the presence of Management. The meeting was held at the end of the annual business review meeting ("ABR") in December 2021 to assess the performance of the Board Chairman; discuss Board processes and governance; and discuss any significant issues to be brought up to the Board Chairman's attention. All independent directors attended the independent meeting.

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The NC assesses the independence of the independent directors annually based on the provisions set out in the Code and the applicable Listing Rules.

Each independent director is required to make a declaration annually to confirm that there is no relationship as stated in the Code that would otherwise deem him not to be independent. The Company has also incorporated the criteria set out under SGX Listing Rules 210(5)(d)(i) and 210(5)(d)(ii) in its latest set of declaration forms distributed to the independent directors in January 2022.

Mr Bobby Chin Yoke Choong holds 1.5% shareholding in Kingdom Investment Holdings Pte Ltd. ("KIHPL"), a related corporation of the Company. The NC has reviewed and is satisfied that Mr Chin's minority interest in KIHPL does not affect his independence in FY2021. The minority shareholding also does not fall within the ambit of relationships defined in the Code which will deem him not to be independent. Nonetheless, Mr Chin is now deemed to be non-independent due to his more than 9-year tenure as a director of the Company. He was re-designated as Non-Independent Non-Executive Director on 31 December 2021.

Based on the declarations of independence by the independent directors for FY2021 reviewed by the NC, none of the independent directors has any relationship with the Company, its related corporations, its substantial shareholders or the officers of the Company that could interfere, or reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent directors is or has been employed by the Company or any of its related corporations in the current or past 3 financial years or has an immediate family member who is or has been employed by the Company or any of its related corporations in the current or past 3 financial years, and whose remuneration is or was determined by the RC.

As of 31 December 2021, none of the independent directors have served on the Board for more than nine years continuously. The NC was satisfied that all independent directors were suitable to be considered as independent for the purpose of Provision 2.1 the Code as well as SGX Listing Rules 210(5)(d)(i) and 210(5)(d)(ii). All independent directors were also independent from the major shareholders of the Company. During the process, each NC member who is an independent director had recused himself in the determination of his own independence.

The Board pays 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.

The Company has implemented a Board Assessment Framework since 2012 which includes a robust process for reviewing the independence of directors who have reached 9-year tenure.

This framework is reviewed from time to time and refreshed as and when required. As of 31 December 2021, Mr Jeffery Chan Cheow Tong retired as a director of the Company and Mr Bobby Chin Yoke Choong was re-designated as a non-independent non-executive director.

The five independent directors on the Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgement. Their participation and input also ensure that key issues and strategies are critically reviewed and constructively challenged.

## Determining Board's composition

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

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

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

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## Board diversity

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

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

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

All director appointments are based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity and needs on the Board.

During FY2021, the Board appointed two new independent non-executive directors, including a female director, Ms Pauline Goh, who has over 30 years of experience in the real estate sector. Ms Goh's appointment has enhanced the Board's diversity in terms of gender and skillset. The Board now has 22% female representation. This is higher than the 18% women on board (WOB) reported by the Council of Board Diversity for the Top 100 primary listed companies in Singapore. It was noted that the Group is in line with those set targets on gender diversity.

Half the Board comprises directors with relevant industry experience in the real estate sector, two directors with IT experience, one director who is a Chartered Accountant familiar with finance, accounting and risk management, two directors with environmental sustainability experience, and one director who is an experienced litigation lawyer specialising in disputes resolution.

In October 2021, the Board welcomed Mr Lim Swee Say. With Mr Lim's appointment, the Board's diversity was further enhanced in terms of experience and independence. With these two new appointments, the Board is of the view that there is sufficient diversity in its current Board composition. As we believe that leadership capabilities may not be linked to gender, setting specific targets such as % of female representation on Board may not be practical. NC will apply the diversity guidelines adopted as and when it proposes new appointments for the Board's consideration. Setting diversity targets would only be considered if required, in consultation with the NC.

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

Currently, the management team consists of 3 female members out of a total of 5 members and provide a good balance of perspectives and ideas.

# CORPORATE GOVERNANCE

## Principle 3: Chairman and Chief Executive Officer (“CEO”)

In FY2021, there was no separation of roles between the Chairman and CEO in the Company.

The Board is of the opinion that it has a strong and independent group of non-executive directors and is well balanced for the financial year ended 31 December 2021. In addition, the Company has appointed a lead independent director since 26 February 2007.

On 9 November 2021, as part of the leadership development and succession planning of HBL, the Company announced the appointment of Mr Nicholas Chua as Executive Director and CEO with effect from 1 January 2022. Mr Nicholas Chua is the son of Dr Chua Thian Poh. With this appointment, Dr Chua Thian Poh ceased to be the CEO and remained as Executive Chairman. 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 on charting the growth strategies of the Group. Importantly, Dr Chua works with both the Board and Management to strengthen the Group’s ESG framework.

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 agenda in consultation with the executive directors, and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- ensuring that all Board members are furnished with complete, high-quality and timely information;
- ensuring effective communication with shareholders;
- ensuring that proper procedures are set up to comply with the Code and applicable SGX Listing Rules; and
- promoting high standards of corporate governance.

As the new CEO with effect from 1 January 2022, Mr Nicholas Chua is responsible for implementing the Group’s overall strategies and policies set by the Board, and in the management of the Group’s development and investment portfolio. Prior to this, Mr Nicholas Chua was the Deputy CEO working alongside with Mr Ong Chong Hua, Executive Director and Chief Operating Officer (“COO”) who is primarily responsible for all operational aspects of the Group’s business.

### Role of the Lead Independent Director

As the Board Chairman and CEO of the Company was the same person up till the financial year ended 31 December 2021, the Company has appointed a Lead Independent Director since 26 February 2007 in line with the Code of Corporate Governance. The current Lead Independent Director is Mr Lim Swee Say who was appointed in place of Mr Bobby Chin Yoke Choong. Although the roles of the Chairman and CEO are now held by separate persons, the Executive Chairman, Dr Chua Thian Poh, and CEO, Mr Nicholas Chua, are related. Therefore, the role of the Lead Independent Director remains critical.

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

The Lead Independent Director also has the authority to call and lead meetings of the independent directors when necessary and appropriate and to provide feedback to the Executive Chairman after such meetings.

# CORPORATE GOVERNANCE

## Principle 4: Board Membership

### FY2021

Nominating Committee ("NC")	
Membership	Key objective(s)
Ko Kheng Hwa (NC Chairman) Chua Thian Poh Bobby Chin Yoke Choong Seow Choke Meng Pauline Goh Lim Swee Say	<ul style="list-style-type: none"> <li>Make recommendations to the Board on all board appointments and nomination of directors for election or re-election.</li> <li>Assess Board's performance and Director's independence.</li> </ul>

### FY2022 (as reconstituted)

NC	
Membership	Key objective(s)
Josephine Choo Poh Hua (NC Chairman) Chua Thian Poh Bobby Chin Yoke Choong Seow Choke Meng Lim Swee Say	<ul style="list-style-type: none"> <li>As above</li> </ul>

For FY2021 (prior to 31 December 2021), The NC consists of five independent directors (including the NC Chairman) and one executive director. Following the redesignation of Mr Bobby Chin as Non-Independent Non-Executive Director on 31 December 2021, Mr Lim Swee Say was appointed the Company's Lead Independent Director. Mr Lim is a member of the NC.

Currently, the NC consists of three independent directors (including the NC Chairman), one non-independent non-executive director and one executive director.

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 FY2021, key activities of the NC include reviewing and making recommendations to the Board, the re-appointment of directors in accordance with the Company's constitution and the applicable Listing Rules, assessing the performance of the Board, its Committees and individual directors and determining the independence of directors and appointment of Executive Chairman and CEO.

# CORPORATE GOVERNANCE

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

In the NC's search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. The NC also evaluates the balance of skills, knowledge and experience on the Board, and determines the role and desirable competencies for any new appointment to enhance the existing Board composition. Such evaluation arises from the Board's annual evaluation process. When it deems necessary or appropriate, the NC may tap on its networking contacts and/or seek the help of external consultants to assist with identifying and shortlisting candidates. The NC may meet with the potential candidate to assess his/her suitability and availability. The selection process will take into account the candidate's honesty, integrity, reputation, competence, capability and financial soundness.

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

Between April 2021 and January 2022, the Board was progressively refreshed with the appointment of three new directors and the retirement of Mr Jeffery Chan and Mr Desmond Woon. The new appointments include:

- (1) Ms Pauline Goh as Independent Director on 29 April 2021;
- (2) Mr Lim Swee Say as Independent Director on 1 October 2021; and
- (3) Mr Nicholas Chua as Executive Director and CEO on 1 January 2022.

During the selection process for new directors in FY2021, the NC had considered several potential candidates recommended by the existing directors and shortlisted a few suitable candidates in the February and September NC meetings. After making the final decision on both occasions, the NC recommended the appointments to the Board for approval.

Ms Pauline Goh was selected for appointment as independent Director based on her extensive experience in the real estate sector. This appointment also enhanced the Board's diversity in terms of gender.

Mr Lim Swee Say was selected for appointment as independent Director in view of his extensive experience in national leadership, international and geopolitical affairs and information technology. Mr Lim is a former Cabinet minister.

Similarly, Mr Nicholas Chua's appointment as Executive Director and CEO was reviewed by the NC and approved by the Board. The independent directors were of the view that in his capacity as the Deputy CEO for the preceding 3 years, Mr Nicholas Chua has shown that he was capable, particularly in leading and assisting the Chairman and CEO with the implementation of the Group's strategy and direction. In recent years, the Group has acquired several development sites in Australia and gained a strong foothold in the development of the residential master-planned communities in the states of Victoria and Queensland. This was largely attributable to Mr Chua's efforts in expanding the Group's presence in Australia.

Eligibility of directors for re-election is reviewed by the NC annually based on each individual director's performance. In accordance with the Company's Constitution, all directors, except the director holding the office as CEO, are required to be re-elected at least once every three years.

Pursuant to SGX Listing Rule 720(5), all directors (including the CEO) appointed or re-appointed before 1 January 2019 will be subject to re-nomination and re-appointment latest by the Company's annual general meeting at least once every three years. As the Exchange does not require the Company to amend its Constitution to allow for the CEO to be re-appointed to the Board, the Company will amend its Constitution to align with Listing Rule 720(5) in future, when necessary.

Supplementary information on the Directors seeking re-appointment for the upcoming AGM on 21 April 2022 is included on page 178 of this Annual Report.

# CORPORATE GOVERNANCE

For this reporting period and up to 1 January 2022, two directors retired from the Board. They are Mr Jeffery Chan Cheow Tong and Mr Desmond Woon Choon Leng.

Mr Jeffery Chan was appointed to the Board in 2002 and retired as a Director of the Company on 31 December 2021 as part of the Company's Board renewal plan. The Company expressed its gratitude and appreciation towards Mr Chan for his invaluable contributions to the Board during his 19-year tenure.

Mr Desmond Woon joined the Group in 1987 and was appointed as an Executive Director of the Company in 1995. With his retirement and relinquishment of his role as an Executive Director on 1 January 2022, Mr Desmond Woon was appointed Senior Advisor of the Company. The Group continues to benefit from his expertise, wealth of knowledge and experience.

## Induction and orientation for new directors

As part of the Company's induction programme for new directors appointed to the Board, Ms Pauline Goh and Mr Lim Swee Say were briefed and each 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 policies, including terms of references, approved by the Board.

A new director orientation programme was also conducted by the senior management for Ms Goh and Mr Lim. As part of the programme, both directors were briefed on the Group's current strategy, current projects, and annual budget.

As first-time directors on a listed company, all three new directors have completed the prescribed training as required by SGX-ST.

## Training for directors

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

The directors can attend, at the Company's expenses, relevant conferences and seminars including programmes conducted by the Singapore Institute of Directors.

The Company arranges for directors' training programme based on the recommendations of the NC. In addition, the Company arranges for professional briefings when necessary to update the directors on any new regulatory development which has an impact on the Group. The costs of directors' training are borne by the Company.

The directors are also regularly briefed by the external auditors on new regulations and key changes to financial reporting standards. In FY2021, the directors were briefed by the external auditors from KPMG LLP ("**KPMG**") on key updates to regulatory requirements and reporting standards. The directors were provided with a quick overview on the newly effective standards, key changes to SFRS(I) effective in 2021 and key SGX Regco changes.

Each year, the Company organises an ABR for the directors. Presentations and briefings are conducted at the ABR by the senior management on the Group's operations, followed by discussion sessions on matters relating to operations, strategies and targets. Suitable site visits to the Group's overseas projects are also arranged so that the directors can have a better understanding of these projects. Due to the COVID-19 pandemic, the latest ABR was held in Singapore in December 2021 with safe distancing measures in place. During the ABR, Management provided detailed presentations on strategies, performances and business outlook to the Board as well as the effects of COVID-19 on the Group's business and the key targets for the next few years.



# CORPORATE GOVERNANCE

## Guideline on multiple board representations

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, the maximum limit is one other listed company board representation for each executive director; three other listed company board representation for each non-executive director with full time employment; and six other listed company board representations for each non-executive director without full time employment. The general guideline is reviewed by the NC annually.

In determining the maximum limit, the NC had considered the average time requirement for directors to attend meetings, site visits and briefings. The NC also considered the general limit set by other companies.

Each director is required to disclose to the Company, his/her other appointment(s) and directorship(s) in corporation(s) which he/she currently serves as board member or executive officer, as well as his/her other principal commitment(s).

The NC had reviewed and was satisfied that no director had exceeded the maximum limit in FY2021. Further, the NC and the Board had reviewed and were satisfied that the directors with multiple board representation had given sufficient time and attention to the affairs of the Company and had adequately carried out their duties as directors of the Company.

## Appointment of Alternate Directors

There was no alternate director appointed during the year and no alternate director appointed since the Company was listed. This is in line with the Code which discourages the appointment of alternate director except for exceptional cases.

## **Principle 5: Board Performance**

The Ho Bee Board Assessment 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 as a whole, its Board committees and the contribution by the Board Chairman and each director to the effectiveness of the Board. The framework integrates the assessment of the Board, Board committees, Board Chairman and individual directors. This framework is reviewed annually by the NC and when required, refined to incorporate better practices to enable an effective and relevant assessment process.

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 performance of the various Board committees.

The enhanced Board/Committee review process incorporates factors such as Board's composition and leadership; processes; information management; strategy and implementation; monitoring of company performance; management evaluation, compensation and succession; risk and crisis management; committee effectiveness; stakeholder management and engagement; and directors' development and management. The Board/Committee evaluation questionnaire was completed by each director. The results of the assessment were collated by the company secretary and provided to the NC. The NC assessed and discussed the performance of the Board as a whole and the effectiveness of the Board committees (ARC, NC and RC), and recommended to the Board key areas for improvement and follow-up actions.

In FY2021, the NC reviewed the framework and included ESG considerations into the questionnaire for board assessment on sustainability governance. For FY2021, the directors were of the view 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 during a meeting of the independent directors. The Board Chairman is assessed on attributes such as leadership, ethics, values, knowledge, interaction and communication skills. The result of the assessment is provided to the Board Chairman by the Lead Independent Director.

Individual directors are assessed annually using a director performance evaluation form. For FY2021, the evaluation was carried out collectively by the Board members during the NC meeting. Each director had recused himself in his own evaluation. The performance indicators for assessing the individual directors include director's duties, leadership, strategy, risk management, Board contribution, knowledge, interaction and communication skills.

# CORPORATE GOVERNANCE

## B. REMUNERATION MATTERS

**Principle 6: Procedures for Developing Remuneration Policies**

**Principle 7: Level and Mix of Remuneration**

### FY2021

Remuneration Committee ("RC")	
Membership	Key objective(s)
Jeffery Chan Cheow Tong (RC Chairman) Josephine Choo Poh Hua Seow Choke Meng Pauline Goh	<ul style="list-style-type: none"> <li>Assist the Board in ensuring that the directors and key management personnel of the Company and its subsidiaries are fairly remunerated for their individual contribution to the overall performance of the Group.</li> <li>Make recommendations to the Board (in consultation with the Chairman) a framework of remuneration for the directors and key management personnel of the Company and its subsidiaries.</li> </ul>

### FY2022 (as reconstituted)

RC	
Membership	Key objective(s)
Seow Choke Meng (RC Chairman) Bobby Chin Yoke Choong Ko Kheng Hwa Pauline Goh	<ul style="list-style-type: none"> <li>As above</li> </ul>

For FY2021 (prior to 31 December 2021), the RC consists four Board members, all of whom including the RC Chairman are independent directors. Following the retirement of Mr Jeffery Chan on 31 December 2021, Mr Seow Choke Meng was appointed the RC Chairman. Currently, the RC consists of three independent directors (including the RC Chairman) and one non-independent non-executive director.

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

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

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

The RC reviews the level, structure and mix of remuneration and benefits policies and practices of the Company, to ensure that they are appropriate and proportionate to the sustained performance of the Company taking into account the strategic objectives of the Company, and to attract, retain and motivate the Key Management Personnel to successfully manage the Company for the long term. The RC takes into account all aspects of remuneration, including termination terms, to ensure that they are fair.

The Company's remuneration mix framework for executive directors and key management personnel is made up of various components such as a base/fixed salary, variable or performance-related bonuses and benefits/allowances.

# CORPORATE GOVERNANCE

The Company carries out a benchmarking survey annually using internal resources to ensure that the remuneration of directors and key management personnel is in line with industry levels. The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for directors and management. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021.

Executive directors do not receive directors' fees. For FY2021, Dr Chua Thian Poh is entitled to profit sharing incentives under his service agreement with the Company as the Board Chairman and CEO.

Non-executive directors are paid directors' fees, subject to the approval of shareholders at the annual general meeting. The remuneration of non-executive directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board and Board 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 sector. Based on market survey and the RC's recommendation, the basic annual fee for non-executive directors had been adjusted from S\$50,000 to S\$60,000 with effect from FY2018.

The fee structure remained unchanged in FY2021. The fee structure is as follows:

## Basic annual retainer fee for non-executive directors

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Board Chairman	N.A.
Board Member	S\$60,000

## Additional fee for other appointments

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Lead Independent Director	S\$10,000
Audit & Risk Committee Chairman	S\$30,000
Audit & Risk Committee Member	S\$15,000
Nominating Committee Chairman	S\$10,000
Nominating Committee Member	S\$5,000
Remuneration Committee Chairman	S\$10,000
Remuneration Committee Member	S\$5,000

Note: N.A. means not applicable.

In setting the remuneration framework for non-executive directors, the RC takes into consideration factors such as effort and time spent, and responsibilities of the directors. The RC ensures that the remuneration of non-executive directors is aligned with industry level and that non-executive directors are not overly compensated to such an extent which will compromise their independence.

During FY2021, the RC reviewed and recommended approvals of the annual wage packages for the Chairman and CEO, the Executive Directors and key management personnel of the Group. The RC also reviewed and recommended to the Board, the fees for the Independent Directors for FY2020 which were approved by shareholders at the AGM in April 2021. Each RC member had abstained from voting in respect of his/her own director's fees.

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

# CORPORATE GOVERNANCE

## Principle 8: Disclosure on Remuneration

The remuneration of directors and key management personnel for FY2021 is set out in the tables below:

### Remuneration of Directors and CEO (in bands of S\$250,000)

Name of directors	Directors' Fees <sup>(1)</sup>	Base / Fixed Salary	Variable / Bonuses	Benefits / Allowances	Share-Based	Total
<b>Above S\$10,000,000 and up to S\$10,250,000</b>						
Chua Thian Poh <i>Chairman &amp; CEO</i>	–	9%	90%	1%	–	100%
<b>Above S\$2,000,000 and up to S\$2,250,000</b>						
Ong Chong Hua <i>Executive director &amp; COO</i>	–	26%	73%	1%	–	100%
<b>Above S\$1,000,000 and up to S\$1,250,000</b>						
Desmond Woon Choon Leng <i>Executive director</i>	–	36%	63%	1%	–	100%
<b>S\$250,000 and below</b>						
Bobby Chin Yoke Choong <i>Non-executive independent director</i>	S\$105,000	–	–	–	–	S\$105,000
Jeffery Chan Cheow Tong <i>Non-executive independent director</i>	S\$85,000	–	–	–	–	S\$85,000
Ko Kheng Hwa <i>Non-executive independent director</i>	S\$85,000	–	–	–	–	S\$85,000
Seow Choke Meng <i>Non-executive independent director</i>	S\$70,000	–	–	–	–	S\$70,000
Josephine Choo Poh Hua <i>Non-executive independent director</i>	S\$80,000	–	–	–	–	S\$80,000
Pauline Goh <i>Non-executive independent director</i>	S\$46,670	–	–	–	–	S\$46,670
Lim Swee Say <i>Non-executive independent director</i>	S\$20,000	–	–	–	–	S\$20,000

<sup>(1)</sup> Directors' fees are subject to shareholders' approval at the annual general meeting.

The remuneration of each individual executive director and the CEO is disclosed, on a named basis, in bands of S\$250,000 with a breakdown in percentage terms of the remuneration earned through base/fixed salary, variable or performance-related income/bonuses and benefits-in-kind/allowances. There was no stock option granted, share-based incentive/award, and other long-term incentives. The exact remuneration of the executive directors and the CEO is not disclosed to maintain confidentiality. The Board is of the view that the above disclosures provide adequate information on the remuneration of the executive directors and the CEO. The actual fees of each independent director have been disclosed.

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

# CORPORATE GOVERNANCE

## Remuneration of top five key management personnel<sup>(1)</sup> (who are not directors or the CEO) (in bands of S\$250,000)

Name of key management personnel	Base / Fixed Salary	Variable / Bonuses	Benefits / Allowances	Share-Based	Total
<b>Above S\$1,000,000 and up to S\$1,250,000</b>					
Nicholas Chua <sup>(2)</sup>	33%	67%	–	–	100%
<b>Above S\$750,000 and up to S\$1,000,000</b>					
Chong Hock Chang	41%	59%	–	–	100%
<b>Above S\$500,000 and up to S\$750,000</b>					
Michael Vinodolac	80%	18%	2%	–	100%
<b>Above S\$250,000 and up to S\$500,000</b>					
Josephine Lee	60%	40%	–	–	100%
Katharine Kum	63%	37%	–	–	100%

<sup>(1)</sup> The Company has only 5 key management personnel (who are not directors or the CEO) in FY2021.

<sup>(2)</sup> Mr Nicholas Chua is the son of the Executive Chairman, Dr Chua Thian Poh.

The remuneration of the above key management personnel (who are not directors or the CEO) is disclosed, on a named basis, in bands of S\$250,000 with a breakdown in percentage terms of the remuneration earned through base/fixed salary, variable or performance-related income/bonuses and benefits-in-kind/allowances. There was no stock option granted, share-based incentive/award, and other long-term incentives. The Board is of the view that such disclosure provides adequate information on the remuneration of the above key management personnel (who are not directors or the CEO).

The aggregate total remuneration paid to the above key management personnel (who are not directors or the CEO) for FY2021 is S\$3,435,915.

There were no termination, retirement and post-employment benefits granted to the above key management personnel (who are not directors or the CEO).

### Remuneration of employees who are immediate family member of a director or CEO

Besides Mr Nicholas Chua, who is the son of the Chairman and CEO, Dr Chua Thian Poh, and whose salary is disclosed in the above remuneration table for key management personnel (who are not directors or the CEO), there is no other employee who is a substantial shareholder or is an immediate family member of a director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 in FY2021.

### Employee share option scheme

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

The RC had reviewed the need to re-implement a share option scheme. The RC, having considered the Company's share price performance and the cost of implementing and administering the scheme, was of the view that a share option scheme was not cost beneficial. Accordingly, no recommendation had been made by the RC to the Board to re-implement a share scheme.

# CORPORATE GOVERNANCE

## Performance conditions for executive directors and key management personnel

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

The profit-sharing incentive for the Board Chairman and CEO, Dr Chua Thian Poh is based on a percentage of the Group's audited consolidated profit before tax (excluding any surplus/loss on revaluation of the Group's investment properties) for the relevant financial year, plus one-fifth of any surplus/loss on revaluation of the Group's investment properties for the relevant financial year. The balance four-fifths of the surplus/loss on revaluation of the Group's investment properties, are carried forward in equal amount every year for the next four years to determine his entitlement for subsequent years.

The profit-sharing formula for the Chairman and CEO was last revised in FY2017 to incorporate the Group's Return on Equity and Total Shareholder Return as additional conditions to determine his total remuneration. There was an increase in the profit-sharing incentive for FY2021 compared to FY2020.

Towards the end of 2021 and in anticipation of the separation of roles of the Chairman and the CEO, the RC reviewed the profit-sharing formula for both the Executive Chairman and CEO. This aligned the leadership of the Executive Chairman and the CEO, through appropriate remuneration and benefits policies with the Company's strategic objectives and key challenges. With the separation of roles from 2022, performance targets are set for the Executive Chairman as well as the CEO and their performances would be evaluated annually.

## 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 framework, risk capabilities and competencies are continuously enhanced. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, *inter alia*, financial, operational, information technology and compliance risks faced by the Group. The ARC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and *vis-à-vis* the external and internal environment which the Group operates in.

The Group has established risk appetite statements with tolerance limits to monitor shifts in its significant risks and to 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 are those relating to investments, market concentration, country, foreign exchange, regulatory compliance, health and safety, land tendering, pricing and contract management. The key risks of the Group are deliberated by Management and reported to the ARC and the Board half-yearly.

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

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

Complementing the ERM Framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as 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 over 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.

# CORPORATE GOVERNANCE

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

The Group completed an IT upgrading exercise in 2018 for staff computers and initiated a data centre migration to adopt cloud and managed data centre platforms in place of existing in-house data centre facility for better cyber security controls. We also installed a new accounting consolidation tool to enhance our consolidation process.

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

The Board acknowledges that it is responsible for the overall internal control framework. It recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives can provide only reasonable and not absolute assurance against material misstatement or loss.

## Internal audit

The Company's internal audit function is outsourced and its current internal auditor is Nexia TS Risk Advisory Pte. Ltd. (appointed since 1 January 2012). The internal auditor reports directly to the Chairman of the ARC on audit matters and to Management on administrative matters. The ARC reviews the internal audit reports and assesses the effectiveness of the internal auditor by examining the followings:

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

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

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

Pursuant to SGX Listing Rule 1207(10C), the ARC had assessed and was satisfied that the internal audit function carried out by the internal auditor was independent, effective and adequately resourced as at 31 December 2021.

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

Based on the internal controls established and maintained by the Group, work performed by independent external third parties, reviews performed by and assurance from Management, the Board with the concurrence of the ARC is of the view that the Group's system of internal controls (including financial, operational, compliance and information technology controls) and risk management system, were effective and adequately resourced as at 31 December 2021.

The systems of internal controls and risk management 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 FY2021, the Board had received assurance from the CEO and the Finance Director that (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 2021.

# CORPORATE GOVERNANCE

## Principle 10: Audit Committee

### FY2021

Audit & Risk Committee ("ARC")	
Membership	Key objective(s)
Bobby Chin Yoke Choong (ARC Chairman) Jeffery Chan Cheow Tong Ko Kheng Hwa Josephine Choo Poh Hua Lim Swee Say	<ul style="list-style-type: none"> <li>Assist the Board in fulfilling its oversight responsibilities.</li> <li>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.</li> </ul>

### FY2022 (as reconstituted)

ARC	
Membership	Key objective(s)
Ko Kheng Hwa (ARC Chairman) Bobby Chin Yoke Choong Josephine Choo Poh Hua Pauline Goh Lim Swee Say	<ul style="list-style-type: none"> <li>As above</li> </ul>

For FY2021 (prior to 31 December 2021), the ARC is made up of non-executive Directors, all of whom including the ARC Chairman are independent directors. Mr Bobby Chin and Mr Jeffery Chan are both chartered accountants. The other ARC members have accumulated accounting and financial management knowledge from their professional education and experiences. With the redesignation of Mr Bobby Chin as Non-Independent Non-Executive Director, Mr Ko Kheng Hwa was appointed the ARC Chairman.

None of the ARC members were previous partners or directors of the existing auditing firm within the last two years, and that 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 ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.



# CORPORATE GOVERNANCE

The ARC has full access to the internal and the external auditors and 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 each of the Guidebook for Audit Committees in Singapore (Second Edition) issued jointly by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority (“ACRA”) and the SGX, 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 which may have a direct impact on financial statements.

During FY2021, the ARC met five times, once without the presence of Management with the IA and EA. Key activities of the ARC include:

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

For FY2021, the ARC had assessed and concurred with the Board that the Group’s system of internal controls (including financial, operational, compliance and information technology controls) and risk management system were adequate and effective as at 31 December 2021.

## Audit & Risk Committee’s commentary on key audit matters

The ARC had discussed the key audit matters for FY2021 with Management and the external auditors. The ARC concurred with the basis and conclusions included in the auditors’ report with respect to the key audit matters for FY2021. For more information on the key audit matters, please refer to pages 85 to 87 of this Annual Report.

# CORPORATE GOVERNANCE

## Fees paid to external auditors

The total fees paid to the external auditors, KPMG LLP, for FY2021 are as disclosed in the table below:

<b>External auditor fees for FY2021</b>	<b>S\$'000</b>	<b>% of total fees</b>
Total Audit Fees	478	77%
Total Non-Audit Fees	139	23%
Total Fees Paid	<b>617</b>	<b>100%</b>

The ARC had reviewed the nature of non-audit services provided by the external auditors in FY2021. Based on the evaluation of external auditors for FY2021, 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. For FY2021, the external auditors were assessed based on the audit quality indicators disclosure framework introduced by ACRA in October 2015.

## Whistle-blowing policy

The Company has in place a whistle-blowing policy since 2007. It was last updated in 2014. Taking into consideration the provision of the Code and the upcoming changes to Listing Rules, Management proposed amendments to the policy which were reviewed by the ARC. On the ARC's recommendation, an updated policy was approved by the Board on 9 November 2020.

Amendments to the whistle-blowing policy include the following:

- increasing the scope of the policy to cover external parties such as tenants, contractors (in addition to employees);
- setting out the required information for reporting;
- setting out ARC duties and reporting to the Board for whistleblowing matters;
- ensuring that the policy is specifically communicated to all employees; and
- making an additional communication channel of reporting via email available at [whistleblow@hobee.com](mailto:whistleblow@hobee.com). All whistle-blowing reports are submitted to the Chairman of the ARC.

The policy emphasised 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 updated policy was made available to all employees and publicly available on the corporate website at [www.hobee.com/investor-relations/corporate-governance/](http://www.hobee.com/investor-relations/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 for review and reported to the Board.

In FY2021, no whistle-blower report was received and no outstanding whistle-blower report under investigation as of the date of this report.

# CORPORATE GOVERNANCE

## 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 activities, including changes in the Company of its businesses which are likely to materially affect the price or value of its shares or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell its shares in a timely and consistent manner. It is also the aim of the Board, in presenting the half-year and annual financial statements announcements, to provide shareholders with a comprehensive and balanced assessment of the Group's performance, financial position and prospects.

Shareholders are encouraged to attend the annual general meeting as this is the principal forum for any dialogue they may have with the directors and management of the Company.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint not more than two proxies to attend and vote on their behalf in shareholders' meetings (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM, these documents are made available to download on SGXNet and from the Company's corporate website. Printed copies of a Summary Report are available on request.

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

The Board welcomes views and questions from shareholders. At every annual general meeting, the Board Chairman and CEO, together with the respective chairmen of the ARC, NC and RC are available to answer any question or issue regarding the Company. The external auditors are also present to address shareholders' queries, if necessary.

Notices for general meetings are announced via SGXNet within prescribed timeframe prior to the meetings. In line with changes to the SGX Listing Rules, the Company has implemented electronic transmission of documents to shareholders. The notices, together with relevant documents (such as annual report, letter to shareholders or circular) will be published on the Company's corporate website at <http://www.hobee.com>.

In conformity with the SGX Listing Rules, the Company has started poll voting for all resolutions since 2016 and announced the detailed poll results via SGXNet immediately after the general meeting. The Company has also adopted electronic polling for its voting process and appointed an independent scrutineer to validate the electronic votes.

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

### 2021 Annual General Meeting

In view of the COVID-19 situation in Singapore, our annual general meeting in 2021 was held electronically in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Abiding by the rules and guidance from the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on the conduct of general meetings, the Company held its annual general meeting for FY2020 electronically on 28 April 2021. All directors, the company secretary and auditors attended the annual general meeting (whether in person or by electronic means).

# CORPORATE GOVERNANCE

## 2022 Annual General Meeting

In view of the ongoing COVID-19 situation in Singapore, the forthcoming 2022 Annual General Meeting will be convened and held by electronic means pursuant to the Order, similar to the Annual General Meeting held in 2021. Alternative arrangements such as attendance by electronic means, submission of questions in advance of the meeting and proxy voting by appointing Chairman of the meeting, and so on, will be in place as last year except that this year, more time will be given for shareholders to consider the resolutions passed and substantial and relevant questions submitted will be addressed and responded to 72 hours before the proxy cut off time. Shareholders are reminded to stay updated on the Company's SGXNet announcement as these meeting arrangements may change on short notice with the evolving pandemic situation.

## Principle 12: Engagement with Shareholders

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

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

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

The Company notifies investors of the date of release of its financial results through an SGXNet announcement about three weeks in advance. Results announcements are made within the prescribed timeframe. Following the amendment to Rule 705 of the Listing Rules effective 7 February 2020, the Company has ceased Quarterly Reporting and had announced its half-year and full year results in FY2021. 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. Each half-year and full year financial results announcement was accompanied by a media release.

For FY2021, the Company's investor relations function is led by an Executive Director who has the strategic management responsibility to integrate finance, accounting, corporate communication and legal compliance to enable effective communication between the Company and the investment community. The Executive Director is assisted by the Finance Director. The Executive Director and the Finance Director meet regularly with analysts and fund managers to facilitate shareholders' and investors' communication. They are augmented by the Board Chairman and CEO, as well as other senior management who participate and contribute actively to the Group's corporate communication and investor relations efforts.

## Dividend Policy

The Company has been declaring dividends since 2001. In its evaluation and recommendation of dividends, the Board takes into consideration the Group's operating performance, financial condition, cash position and planned capital needs, as well as general business conditions and risks. It is the Board's objective to pay dividends on sustainable and regular basis, and to grow dividends over time, if possible, based on the Group's financial performance and conditions.

For FY2021, the Board has recommended a first and final dividend of 10 cents per ordinary share. This represents 20.1% of the Group's net profit after tax and non-controlling interests. Subject to shareholders' approval at the annual general meeting on 21 April 2022, the proposed dividends will be paid on 20 May 2022.

# CORPORATE GOVERNANCE

## 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 to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

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

Please refer to the Sustainability Report, which can be found on pages 32 to 34 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 FY2021.

## OTHER CORPORATE GOVERNANCE MATTERS

The Company has adopted a Code of Business Conduct, with the key objectives 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 interests, dealings with government officials, the maintenance of 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, as well as with 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 with regard to 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.

With the amendment to Rule 705 of the 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 of 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, conflict of interests, health and safety, internet usage, intellectual property and software use, personal data protection, and safe-guard 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.

# CORPORATE GOVERNANCE

## INTERESTED PERSON TRANSACTIONS

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

In compliance with the SGX-ST Listing Manual, the details of the interested person transactions for FY2021 are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
Pauline Goh	Director of CBRE Pte Ltd – Rental commission	S\$158,946	N.A.

N.A. means not applicable.

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

## MATERIAL CONTRACTS

Save for the service agreements between the Chairman and CEO, and the Company, there were no material contracts of the Group involving the interests of the Chairman and CEO, each Director or controlling shareholding, either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE

## Express disclosure requirements in principles and provisions of the Code

<b>PRINCIPLES AND PROVISIONS OF THE CODE</b>		<b>PAGE REFERENCE IN HBL AR2021</b>
<b>THE BOARD'S CONDUCT OF AFFAIRS</b>		
<b>Provision 1.2</b>	The induction, training and development provided to new and existing directors.	62
<b>Provision 1.3</b>	Matters that require Board approval.	49
<b>Provision 1.4</b>	Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	60,64,70
<b>Provision 1.5</b>	The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	48
<b>BOARD COMPOSITION AND GUIDANCE</b>		
<b>Provision 2.4</b>	The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	58
<b>BOARD MEMBERSHIP</b>		
<b>Provision 4.3</b>	Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate.	61
<b>Provision 4.4</b>	Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	56-57
<b>Provision 4.5</b>	The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	50-56
<b>BOARD PERFORMANCE</b>		
<b>Provision 5.2</b>	How the assessments of the Board, its Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors.	63
<b>PROCEDURES FOR DEVELOPING REMUNERATION POLICIES</b>		
<b>Provision 6.4</b>	The Company discloses the engagement of any remuneration consultants and their independence.	64

# CORPORATE GOVERNANCE

<b>PRINCIPLES AND PROVISIONS OF THE CODE</b>		<b>PAGE REFERENCE IN HBL AR2021</b>
<b>DISCLOSURE ON REMUNERATION</b>		
<b>Provision 8.1</b>	The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO, and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than SGD250,000 and in aggregate the total remuneration paid to these key management personnel.	66-67
<b>Provision 8.2</b>	Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds SGD100,000 during the year, in bands no wider than SGD100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	67
<b>Provision 8.3</b>	The Company discloses all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company, and also discloses details of employee share schemes.	66-68
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>		
<b>Provision 9.2</b>	Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	69
<b>SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS</b>		
<b>Provision 11.3</b>	Directors' attendance at general meetings of shareholders held during the financial year.	73
<b>ENGAGEMENT WITH SHAREHOLDERS</b>		
<b>Provision 12.1</b>	The steps taken to solicit and understand the views of shareholders.	74
<b>ENGAGEMENT WITH STAKEHOLDERS</b>		
<b>Provision 13.2</b>	The strategy and key focus areas in relation to the management of stakeholder relationships during the reporting period.	75