



NEW PERSPECTIVES

HO BEE
LAND
LIMITED
ANNUAL
REPORT
2021

CONTENTS

8	Words from the Executive Chairman	25	New Acquisition	168	Additional Information
12	Performance at a Glance	26	Project Update	170	Shareholding Statistics
14	Board of Directors	27	Corporate Structure	172	Notice of Annual General Meeting
19	Management Team	28	Sustainability Report		Proxy Form
20	Our Presence	47	Corporate Governance		Corporate Information
22	New Development Properties	79	Financial Statements		

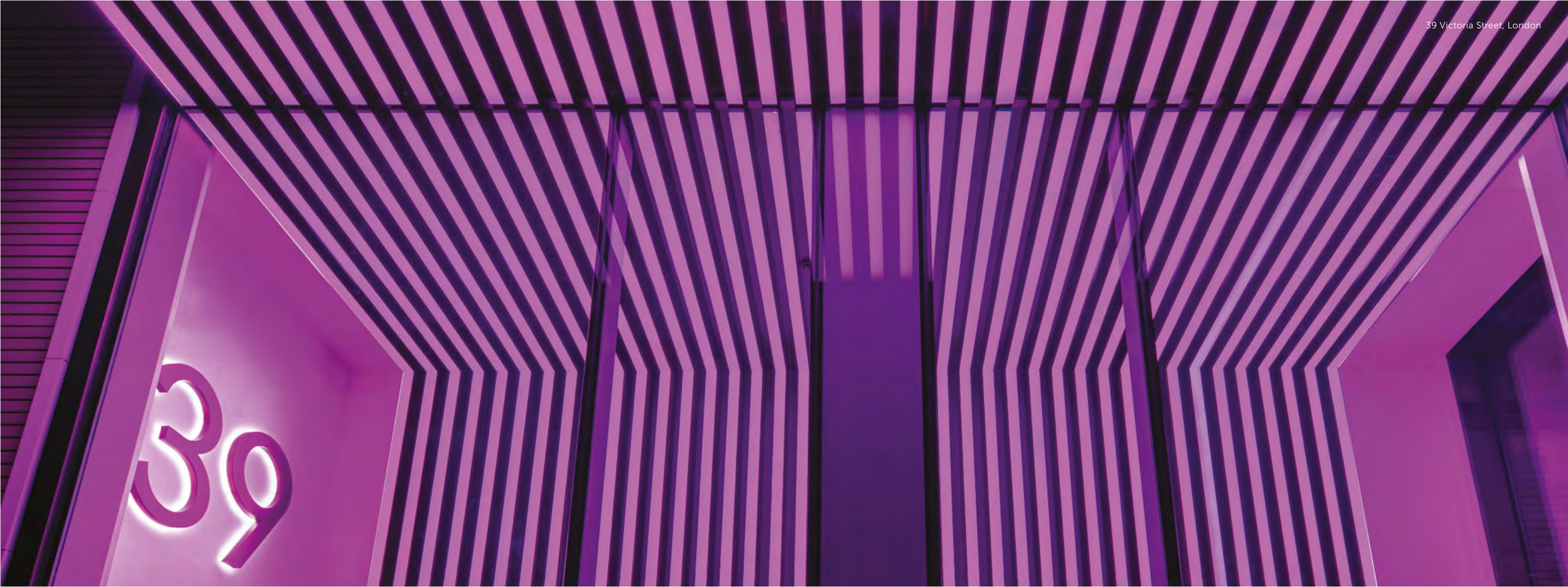
CORPORATE PROFILE

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

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

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

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



39 Victoria Street, London

An aerial photograph of the London skyline, featuring The Shard as the central focus. The London Eye is visible in the background. The image is partially obscured by a large, semi-transparent circular graphic on the left and a blurred image of a person on the right.

A little perspective
goes a long way.

It allows us to identify the
change in every challenge,
creating opportunities for
us to refine our strategies
and take a closer look in
between the lines.

CHALLENGE

ADAPTABILITY

We are confident in our core competencies - the ability to adapt to and emerge from disruptions.

With every experience, we continue to build on our strengths and accelerate our businesses in new and innovative ways.



Seeing things in a different
light empowers us to
unlock possibilities.

Broadening our vision
enables us to build
sustainable growth engines
and deliver long-term
returns for our stakeholders.

IMPOSSIBLE

WORDS FROM THE EXECUTIVE CHAIRMAN



DEAR SHAREHOLDERS

The global business environment has been overwhelmed by the ongoing pandemic over the last two years. However, the Group's robust strategy of diversifying geographically and strengthening our recurrent income base over the years has helped us weather the continuing challenges.

For FY2021, I am pleased to announce another set of solid results. Below is a brief update of the operations for the respective markets.

FINANCIAL OVERVIEW

In FY2021, profit more than doubled to S\$330.5 million from S\$137.1 million a year ago. The Group's rental income continued to underpin the Group's profitability in FY2021. Rental income increased 4.1% year-on-year to S\$223.7 million due to positive rental reversions for the London properties.

The key drivers of our improved profitability were higher profits from sale of development properties, higher net fair value gain on the Group's financial assets and investment properties as well as higher share of profits from jointly controlled entities.

Revenue from sale of development properties in FY2021 was S\$124.0 million, compared to S\$0.7 million a year ago, largely contributed by higher sales from Turquoise in Sentosa Cove and our maiden land subdivision project in Queensland.

Total net fair value gain on investment properties and financial assets of S\$90.8 million was recorded in FY2021 (FY2020: net fair value loss of S\$32.9 million).

“The Group's robust strategy of diversifying geographically and strengthening our recurrent income base over the years has helped us weather the continuing challenges.”

The combined share of profits from the Group's jointly controlled entities and associates more than doubled to S\$115.5 million from S\$55.4 million in FY2020. The increase was mainly due to more units being handed over for the Tangshan and Zhuhai projects in China, as well as Seascope in Sentosa Cove.

Overall, the Group's earnings per share grew significantly to 49.77 cents from 20.62 cents a year ago. Total shareholders' fund as of 31 December 2021 was S\$3.9 billion, representing a net asset value of S\$5.92 per share (FY2020: S\$5.46 per share).

Our group's financial position remains strong. Net gearing improved to 0.62 times as of 31 December 2021 from 0.64 times a year ago.

WORDS FROM THE EXECUTIVE CHAIRMAN

BUSINESS REVIEW

Singapore

The Group’s portfolio of properties in Singapore generated a total rental income of S\$99.7 million (FY2020: S\$100.9 million). The key rental contributor was The Metropolis which was 96% occupied. The Group continued to grant rental rebates to certain F&B tenants to tide them over a slowdown in foot traffic due to work-from-home arrangements. Rental collections from office tenants were not impacted by the pandemic.

In July 2021, we completed an asset enhancement initiative (“AEI”) to increase the lettable area on levels two and three in Tower 1 of The Metropolis by approximately 13,000 square feet. Since February 2022, the entire levels two and three totalling approximately 35,000 square feet in Tower 1 is being managed by a co-working space operator.

The co-working space will give our tenants at The Metropolis and nearby offices the option of flexible office space, which will serve them well in managing flexible work arrangements for their employees.

The Group’s development properties in Sentosa Cove (Turquoise, Seascape and Cape Royale) continued to enjoy high occupancy rates of more than 95% as at the end of FY2021 (FY2020: 88%).

In FY2021, we released selected units in Turquoise and Seascape for sale and achieved strong sales performance due to increased interest in Sentosa Cove. The total sales revenue to-date is more than S\$200 million.

In March 2021, we started the construction of the Group’s maiden biomedical sciences facility at one-north, Elementum. We expect to start marketing the project for lease sometime this year.

London

Our London portfolio comprises seven prime office buildings which enjoys almost 100% occupancy. In FY2021, we received a higher total rental income of £66.7 million due to positive rental reversions (FY2020: £63.8 million).

The Group recorded a net fair value gain of £19.0 million on its London portfolio (FY2020: fair value loss of £11.1 million).

Our latest acquisition of The Scalpel in London on 23 February 2022 for £718 million further strengthened the quality and size of the Group’s investment portfolio and recurrent income.

Post-acquisition of The Scalpel, the value of our London portfolio is approximately £2.1 billion.

Europe

The Group has existing investment in a European real estate fund as well as investment in Notes backed by prime office assets in Germany. In FY2021, a fair value gain of €24.6 million was recorded for one of the Notes investments.

As of 31 December 2021, the fair value of these European investments was €147.7 million (FY2020: €107.1 million).

Australia

In FY2021, the Group delivered all 95 lots in its maiden master-planned community project in Sunshine Coast, Queensland. We also sold 24 units in our Rhapsody project in Surfers Paradise, Gold Coast. Total sales revenue contributed by Australia in FY2021 was A\$47.2 million (FY2020: A\$0.7 million).

The demand for housing lots remained strong despite the pandemic. The Group continued its focus on developing master-planned residential communities in Queensland and Victoria. During the year, we acquired seven more sites. The Group now has a total pipeline of approximately 4,600 lots for development over the next few years.

“The Board is pleased to recommend a first and final dividend of 10 cents per share for FY2021.”

China

The project in Shanghai has been fully sold and handed over to purchasers. The Group’s share of profits of RMB43.8 million (equivalent to S\$9.0 million) from this project in FY2021 arose mainly from sale of remaining carpark lots and interest income.

The Group’s bigger joint venture residential project in Zhuhai comprises 3,669 units. To-date, approximately 98% of the units have been sold. The Group recognised its share of profits from the Zhuhai project in FY2021 amounting to RMB167.2 million (equivalent to S\$35.2 million) (FY2020: S\$34.4 million). A smaller residential project, the Zhuhai Transit Oriented Development site, comprises 381 units, out of which 128 units have been pre-sold.

Phase Two of the Group’s residential project in Tangshan comprising 1,220 units was fully sold in FY2020. The remaining 60% of the sold units were fully handed over to purchasers in the first half of FY2021. The Group’s share of profit from the Tangshan project in FY2021 was RMB212.0 million (equivalent to S\$43.6 million) (FY2020: S\$22.3 million).

The Group has an effective stake of 8% in a 3,052-unit residential project in Nanjing. This project has been substantially sold and handover of the units will take place progressively starting from the second quarter of FY2022.

In June 2021, the Group invested in a new joint venture project in Tianjin to develop a 751-unit high-end residential project with ancillary retail space and education facilities with a total gross floor area of approximately 117,100 square metres. The Group’s effective interest in this associate is 49%.

PROPOSED DIVIDEND

The Board is pleased to recommend a first and final dividend of 10 cents per share for FY2021. Subject to shareholders’ approval at the Annual General Meeting of the

Company to be held on 21 April 2022, the dividends will be paid on 20 May 2022.

BUSINESS PROSPECTS

The global economic outlook continues to be uncertain due to the Covid pandemic and impending interest rate hikes. More recently, Russia’s invasion of Ukraine resulted in increased volatility in global financial and commodity markets.

The Group’s resilient recurring income base will help us navigate through uncertain and challenging times. Amidst these uncertainties, we will exercise prudence but keep an eye on buying opportunities of good assets.

BOARD RENEWAL

The Company announced changes to the Board of Directors in FY2021 as part of board renewal and succession planning. With effect from 1 January 2022, Mr Nicholas Chua has been appointed as Executive Director and Chief Executive Officer of the Company.

We welcomed Ms Pauline Goh and Mr Lim Swee Say to the Board as Independent Directors in April and October 2021 respectively. The Board will undoubtedly benefit from Pauline’s significant real estate experience and Swee Say’s expertise in Sustainability, Information Technology and management experience.

ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude and appreciation to my fellow Board members, who have provided much guidance in conducting the affairs of the Board.

Mr Desmond Woon and Mr Jeffery Chan retired from the Board in FY2021. I would like to thank them for their years of excellent service to the Company and to the Board. Desmond serves as Senior Advisor of the Group with effect from 1 January 2022, and we continue to benefit from his wealth of knowledge.

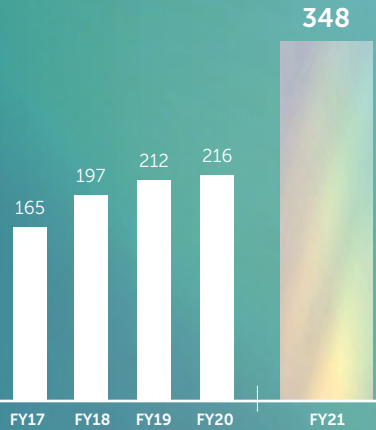
I would also like to acknowledge the hard work and dedication of management and staff of the Company.

Finally, my sincere appreciation to our shareholders, tenants and business associates for their continued support and confidence in the Company. I would like to take this opportunity to wish you a safe and healthy year ahead.

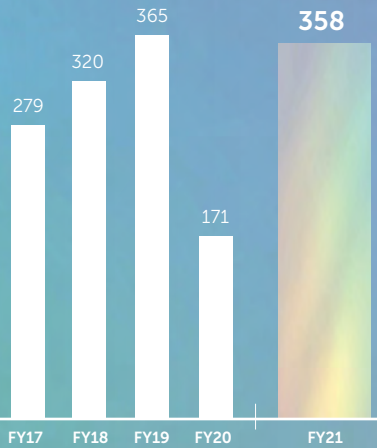
CHUA THIAN POH
Executive Chairman

PERFORMANCE AT A GLANCE

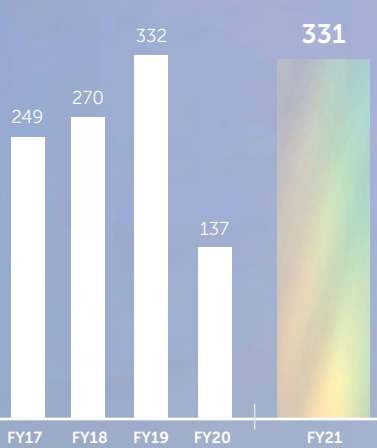
TURNOVER
(S\$ million)



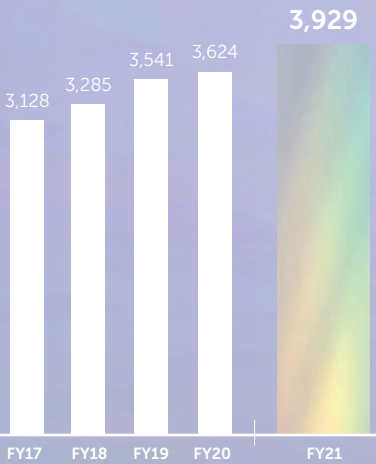
PROFIT BEFORE
TAXATION
(S\$ million)



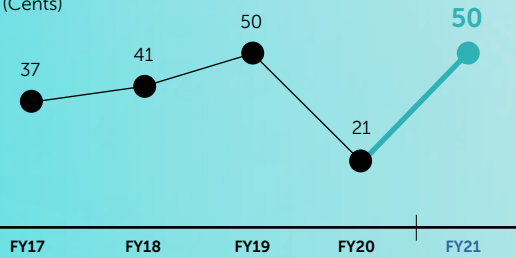
PROFIT ATTRIBUTABLE
TO SHAREHOLDERS
(S\$ million)



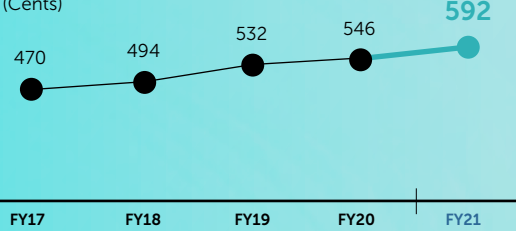
SHAREHOLDERS'
EQUITY
(S\$ million)



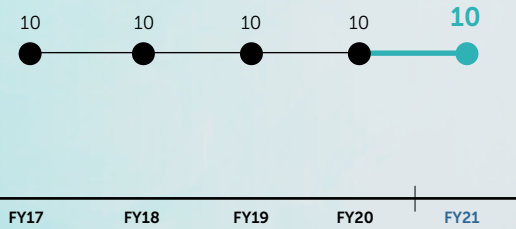
EARNINGS PER
SHARE
(Cents)



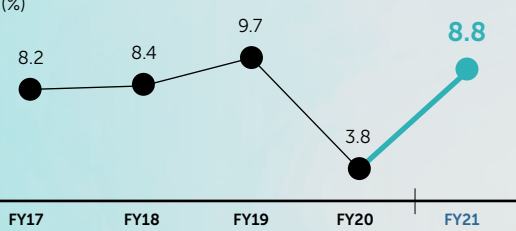
NET ASSETS VALUE
PER SHARE
(Cents)



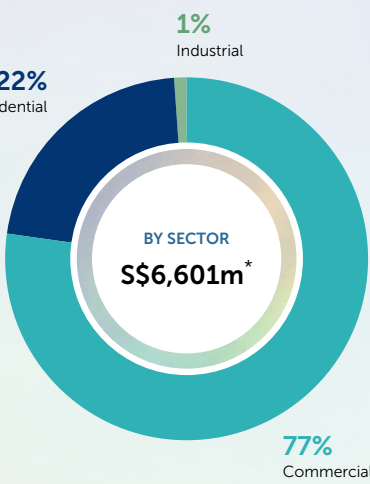
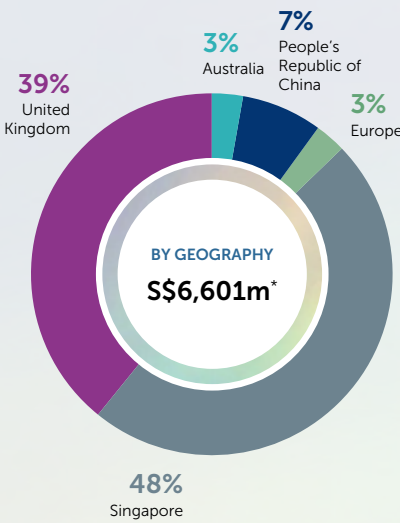
DIVIDENDS PER
SHARE
(Cents)



RETURN
ON EQUITY
(%)



PROPERTY PORTFOLIO



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

BOARD OF DIRECTORS

Front Row (left to right):

MS PAULINE GOH, Independent Non-Executive Director

DR CHUA THIAN POH, Executive Chairman

MR NICHOLAS CHUA, Executive Director and Chief Executive Officer

Back Row (left to right):

MR ONG CHONG HUA, Executive Director and Chief Operating Officer

MR KO KHENG HWA, Independent Non-Executive Director

MR LIM SWEE SAY, Lead Independent Director

MR BOBBY CHIN, Non-Independent Non-Executive Director

MR SEOW CHOKE MENG, Independent Non-Executive Director

MS JOSEPHINE CHOO, Independent Non-Executive Director

BOARD OF DIRECTORS

CHUA THIAN POH
Executive Chairman

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

Dr Chua has held several public appointments. He was appointed as the Non-Resident Ambassador of Singapore to the Republic of Maldives (2015 – 2019), a member of the Constitutional Commission for the review of Elected Presidency (2016), an alternate member (2017) and subsequently a full member (2019) of the Council of Presidential Advisers.

An active community leader, Dr Chua serves as Honorary President of Singapore Federation of Chinese Clan Associations and Singapore Chinese Chamber of Commerce & Industry, as well as Honorary Chairman of Bishan East Citizens’ Consultative Committee and Ren Ci Hospital. He is also the Chairman of Singapore Chinese Cultural Centre and the Board of Trustees, Chinese Development Assistance Council, as well as the Vice-Chairman of Board of Governors, Singapore Hokkien Huay Kuan.

Dr Chua has received many accolades for his business leadership and philanthropic impact, as well as contributions towards the community and public service sector. In July 2019, National University of Singapore conferred on him the Honorary Doctor of Letters.

Among the other awards conferred on him include the Public Service Star (BBM, 2004), Justice of the Peace (2005 – 2020), Businessman of the Year (2006), President’s Award for Philanthropy (Individual, 2012), Forbes Asia’s Heroes of Philanthropy (2014), and Distinguished Service Order (2014).

NICHOLAS CHUA
Executive Director
Chief Executive Officer

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

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

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

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

ONG CHONG HUA
Executive Director
Chief Operating Officer

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

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

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

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

LIM SWEE SAY
Lead Independent Director

Mr Lim Swee Say was appointed to the Board in 2021. Mr Lim is a trustee and Adviser of the National Trades Union Congress (NTUC), the Chairman of the NTUC-Administration & Research Unit Board of Trustees, an Adviser to NTUC Enterprise Co-operative Ltd and the Deputy Chairman of Singapore Labour Foundation. Mr Lim is currently an Independent Director of Singapore Telecommunications Limited, as well as Tat Seng Packaging Group Ltd.

Mr Lim joined the public sector in 1976. He joined the Labour Movement in 1996 and entered politics in 1997 to serve in various capacities including Minister of State for Trade and Industry, Minister of State for Communication and Information Technology, Minister for Environment, Second Minister for National Development, Minister in Prime Minister’s Office and Minister for Manpower. He stepped down from the Cabinet in May 2018 and retired from politics as a member of the Parliament of Singapore in 2020. Before entering politics, he held leadership positions in Singapore’s National Computer Board and the Economic Development Board.

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

KO KHENG HWA
Independent Non-Executive Director

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

Public sector leadership positions held previously by Mr Ko included Managing Director of Economic Development Board, CEO of JTC Corporation and CEO of National Computer Board. Business sector leadership appointments held previously included CEO of Singbridge International Singapore Pte Ltd (a Temasek-linked company), CEO Sustainable Development & Living Business Division of Keppel Corporation Ltd, Chairman of Arcasia (now Ascendas) Land Singapore Pte Ltd, Director of China-incorporated joint venture companies which master-developed the Sino-Singapore Guangzhou Knowledge City and Sino-Singapore Tianjin Eco-City, and Chairman of former NASDAQ-listed Pacific Internet Ltd.

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

JOSEPHINE CHOO
Independent Non-Executive Director

Ms Josephine Choo was appointed to the Board in 2017.

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

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

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

BOARD OF DIRECTORS

SEOW CHOKE MENG
Independent Non-Executive Director

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

Mr Seow is currently the Business Consultant of Singapore Press Holdings Ltd and Chairman of Ren Ci Hospital and Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry. He is also a director of Singapore Chinese Cultural Centre and Chinese Development Assistance Council Board of Trustee. Mr Seow's other directorships include Straco Leisure Pte Ltd, TTSH Community Fund, National Skin Centre Health Fund, SPH Silver Care Pte Ltd, Times Properties Pte Ltd and Times Development Pte Ltd.

Mr Seow is a veteran in the media industry having worked in SPH group for more than 40 years. He held various senior appointments in SPH which includes helming the human resource, administration, circulation, properties and editorial services/cultural industry promotion departments of the Chinese newspapers group.

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

PAULINE GOH
Independent Non-Executive Director

Ms Pauline Goh was appointed to the Board in 2021. She is currently CBRE's Chairman of Southeast Asia. Over her 38-year career at CBRE in Singapore, Ms Goh has assumed several leadership roles, in which she steadily built the CBRE brand into the leading real estate services firm across Southeast Asia today. Ms Goh is a Director of the Singapore Institute of Directors and an Honorary Real Estate Consultancy Advisor of Real Estate Developers Association of Singapore (REDAS). She is also a Department Consultative Committee Member of NUS Department of Real Estate.

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

BOBBY CHIN
Non-Independent Non-Executive Director

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

Mr Chin served as a board member of Urban Redevelopment Authority from 1997 to 2006 and was its Chairman from 2001 to 2006. He also served as the Chairman of Singapore Totalisator Board from 2006 to 2012.

Mr Chin was formerly a board member of Singapore Telecommunications Limited, Yeo Hiap Seng Limited and a member of the Council of Presidential Advisers.

Mr Chin is the Chairman of the Housing & Development Board, NTUC Fairprice Co-operative Limited and Deputy Chairman of NTUC Enterprise Co-operative Limited. Mr Chin sits on the boards of the Singapore Labour Foundation, Temasek Holdings Private Limited, Frasers Logistics & Commercial Asset Management Ltd and listed company AV Jennings Limited.

MANAGEMENT TEAM

CHONG HOCK CHANG
Group Director, Projects and Marketing

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

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

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

MICHAEL VINODOLAC
Chief Executive Officer, Australia

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

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

Prior to joining Ho Bee Land, Mr Vinodolac was the Chief Operating

Officer for Villa World Limited, an ASX-listed residential developer and home builder where he oversaw a substantial growth phase for the business.

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

JOSEPHINE LEE
Finance Director

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

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

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

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

LOH LEE HONG
General Manager, Sales and Marketing

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

Ms Loh has more than 30 years of marketing experience in the real estate

sector. Prior to joining Ho Bee Land, she was the General Manager of UOL Group Limited and MCL Land, responsible for the sales and leasing of residential and commercial development projects in Singapore, London and Malaysia.

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

KATHARINE KUM
General Manager, Projects and Property Management

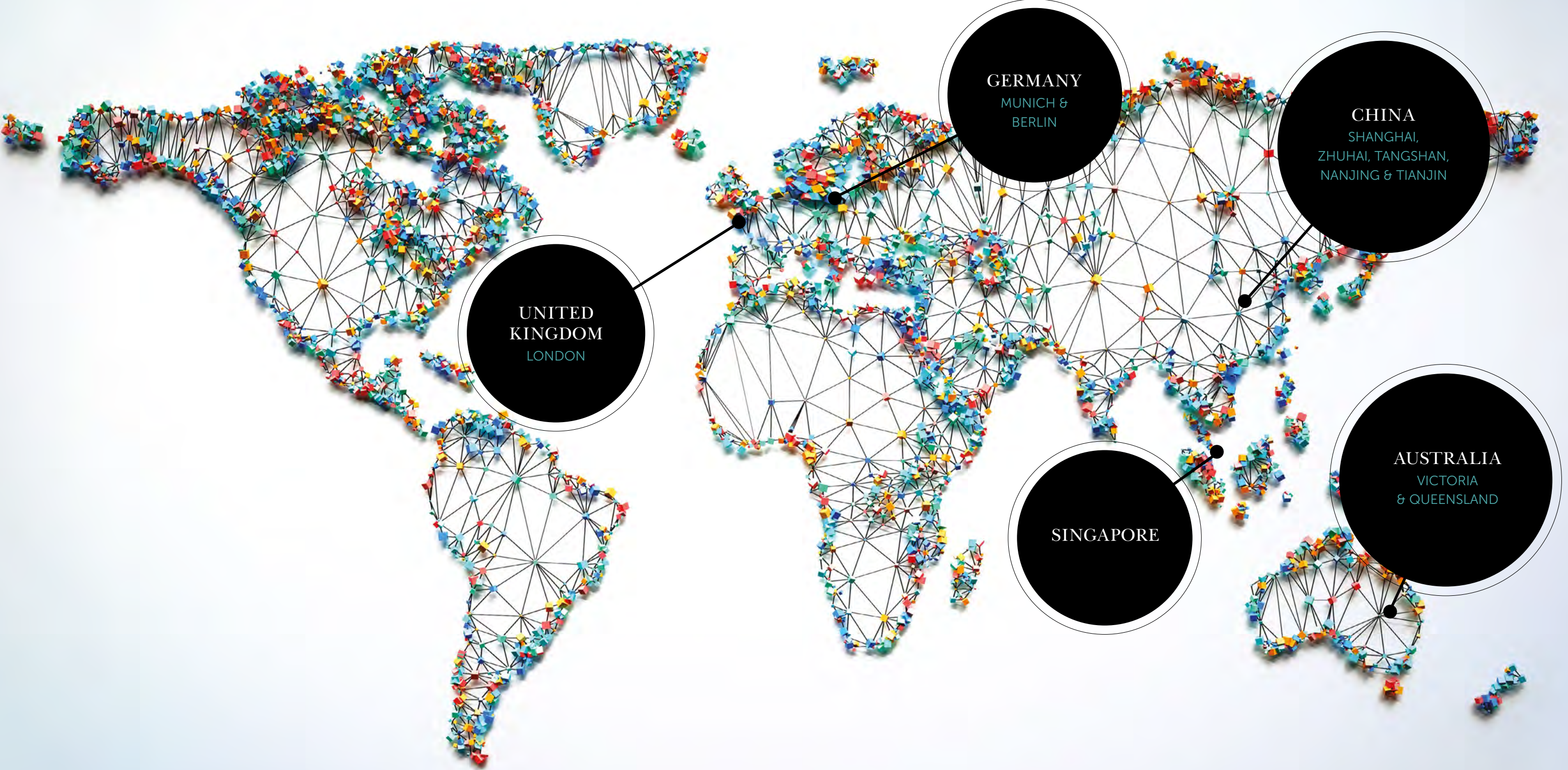
Ms Katharine Kum joined Ho Bee Land as General Manager, Projects and Property Management in April 2020.

She is responsible for planning and executing the design and construction of the Company's development projects in Singapore. She also oversees the property management of the Company's portfolio of investment projects in Singapore.

Ms Kum has more than 20 years of project development experience. Prior to joining Ho Bee Land, she was the General Manager, Head of Projects in Bukit Sembawang Estates Ltd, responsible for the design and development of the Group's properties.

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

OUR
PRESENCE



NEW DEVELOPMENT PROPERTIES

In this section we share greater insight into the Group’s latest development properties in Australia.



TILLERMAN – PARK RIDGE

Queensland

The 21.16-hectare site is located 35km from the Brisbane CBD within the major growth area of Logan City Council. Upon completion, the project will deliver over 300 residential lots and a one-hectare regional park providing a high level of amenity for the future residents. The property also directly adjoins the Hubner park sporting fields which have been earmarked for a major upgrade by both state and local government.



SUNVALE - CALAMVALE

Queensland

The Calamvale property is a rare infill opportunity with development approval in place for 49 residential lots located only 20km from the Brisbane CBD. The 3.21-hectare property benefits from ample amenity within a 1km radius, including Central Park Shopping Centre, Highlands Drive Park, Calamvale Shopping Plaza and Sunnybank Hills Shopping town. Situated around 5km away is the renowned Sunnybank Plaza and Market Square dining precinct, Westfield Garden City and Griffith University.



UPPER COOMERA

Queensland

The 18.85-hectare site located in Upper Coomera on the northern end of the Gold Coast is only 57km to the Brisbane CBD. With a development application lodged for 196 lots, the estate will deliver new blocks of land into the Gold Coast market which is suffering from very limited land supply and high levels of demand.

NEW DEVELOPMENT PROPERTIES



MICKLEHAM

Victoria

The 53.82-hectare site is located in Melbourne's North, which directly adjoins the well-established suburb of Craigieburn to the east with Craigieburn Central shopping precinct only 2km away and Craigieburn train station 5km away. Upon completion, the project will deliver 674 residential lots, regional sporting fields, government school, extensive green space and waterways.

AITKEN HILL – CRAIGIEBURN

Victoria

The Aitken Hill property is a large 68.52-hectare infill development. Strategically located in a key growth area, Aitken Hill is approximately 22km from the Melbourne CBD and 10 minutes away from the Melbourne International Airport. Upon completion, the Aitken Hill master-planned community will deliver 1,156 residential lots, open space, parks and waterways.

NEW ACQUISITION

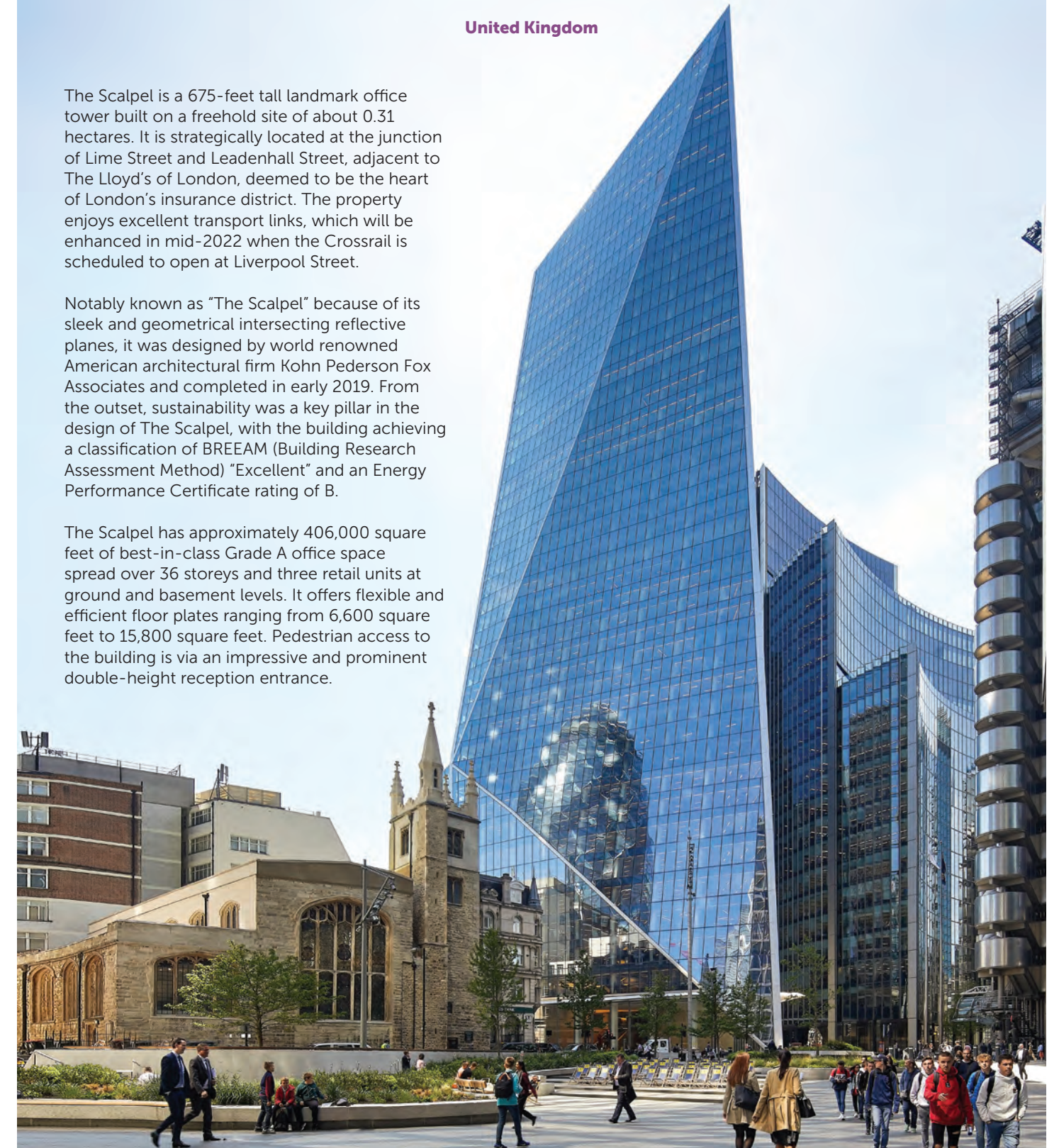
THE SCALPEL – LONDON

United Kingdom

The Scalpel is a 675-feet tall landmark office tower built on a freehold site of about 0.31 hectares. It is strategically located at the junction of Lime Street and Leadenhall Street, adjacent to The Lloyd's of London, deemed to be the heart of London's insurance district. The property enjoys excellent transport links, which will be enhanced in mid-2022 when the Crossrail is scheduled to open at Liverpool Street.

Notably known as "The Scalpel" because of its sleek and geometrical intersecting reflective planes, it was designed by world renowned American architectural firm Kohn Pederson Fox Associates and completed in early 2019. From the outset, sustainability was a key pillar in the design of The Scalpel, with the building achieving a classification of BREEAM (Building Research Assessment Method) "Excellent" and an Energy Performance Certificate rating of B.

The Scalpel has approximately 406,000 square feet of best-in-class Grade A office space spread over 36 storeys and three retail units at ground and basement levels. It offers flexible and efficient floor plates ranging from 6,600 square feet to 15,800 square feet. Pedestrian access to the building is via an impressive and prominent double-height reception entrance.



PROJECT
UPDATE

ELEMENTUM – one-north

Singapore

Elementum, a biomedical sciences development at the one-north precinct, is currently under construction.

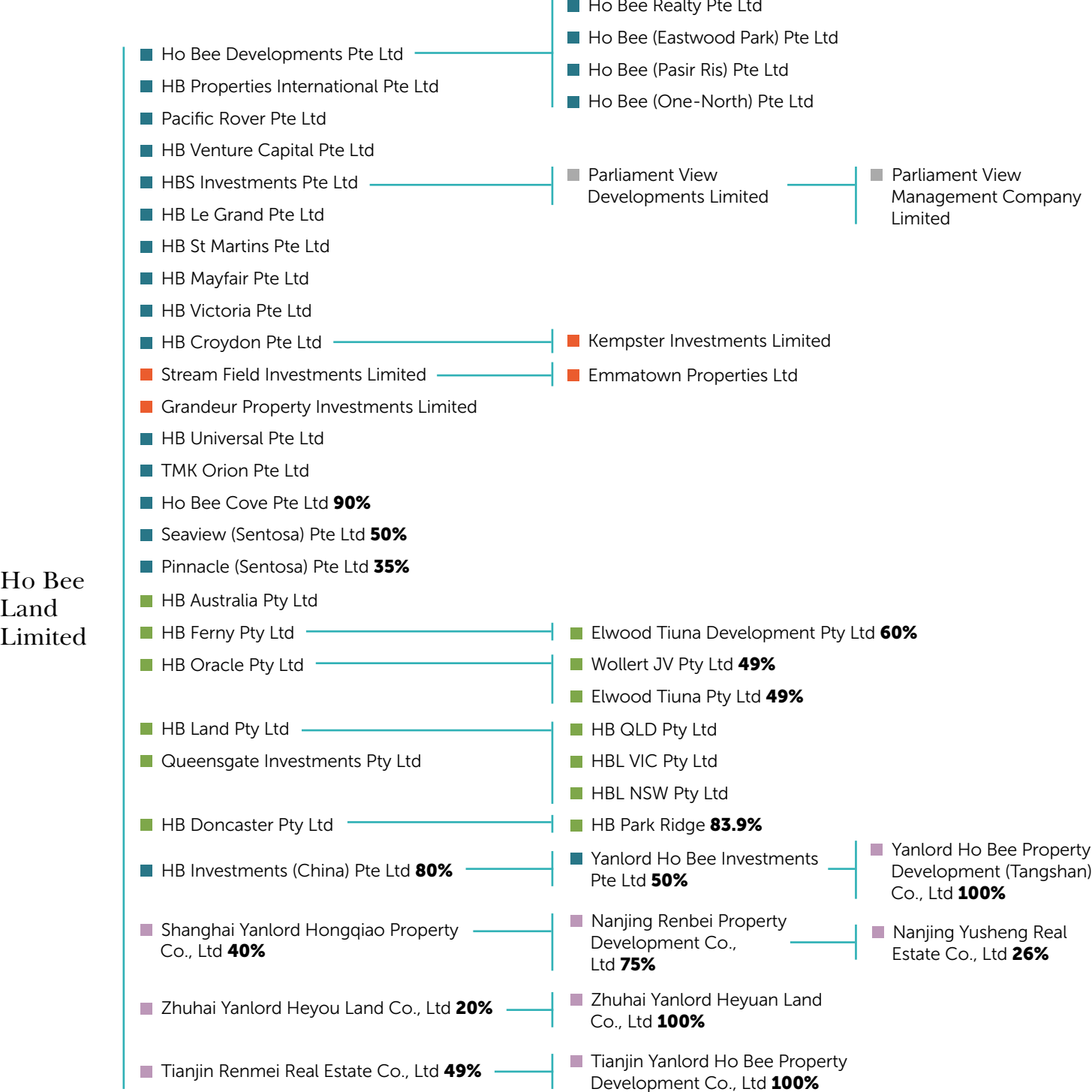
When completed in 2H2023, the 12-storey development will provide close to 378,000 square feet of business park space for biomedical sciences research and supporting activities as well as 67,000 square feet of space for office and retail uses. To cater to the rising demand for semi- and fully furnished laboratories as more biomedical sciences start-ups are founded, about 21,500 square feet of the business park space will be

reserved for fitted-out laboratory spaces, which helps to reduce set up costs for start-ups.

With its strategic location within the Biopolis cluster in one-north, and its leading-edge infrastructure, Elementum is well-positioned to benefit from the Government’s drive to bolster the R&D sector in the next few years. Elementum, a Green Mark Platinum-certified project, will provide a vibrant ecosystem for research and collaboration and help spearhead Singapore as the biomedical sciences hub of Asia.



CORPORATE
STRUCTURE



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

Entities are 100% owned unless otherwise stated.

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors of the Company (the "Board") is pleased to present the Sustainability Report ("Report") for the financial year ("FY") ended 31 December 2021. The Report provides an overview of the key Environmental, Social, and Governance ("ESG") performance of the Group for the year. Through this report, we demonstrate our commitment to incorporate sustainable practices into our business and offer our stakeholders insights into the Group's business model, strategies and values, as well as provide key financial and operating information in an open and balanced manner.

The Board has overall responsibility for sustainability, from strategy to implementation and monitoring of performance, and has been closely involved in the development of this Report. The key ESG factors that were identified in previous years are still relevant in the current year and have been carefully incorporated in the formulation of our business strategies. One of our focuses is to ensure that our buildings and properties are sustainable and energy-efficient. This would go towards helping to reduce our carbon footprint in the fight against climate change. Climate change has a significant impact on our planet and communities, and we must do our part to help save the Earth.

We are therefore pleased to inform you that our flagship development in Singapore, The Metropolis, continues to be Green Mark Platinum Certified, and its energy and water consumption during the year has been efficient. Since 2015, the water and power

consumption has declined by 76% and 9% respectively. This is due to the reduced activities in the development during the COVID-19 pandemic and our constant conservation efforts. We remain committed to optimising the environmental impact of our properties through the responsible consumption of water and energy resources in our operations.

In addition, following the green loans secured for The Metropolis and Ropemaker Place, London, in 2018, the Group has secured a S\$282.3 million green loan for the development of Elementum with three major banks acting as Green Loan advisers under the Group's Green Finance Framework. The adoption of this Framework is another example of the Group's initiatives towards meeting sustainable development goals. The Board remains committed and will continue to adopt resilient and sustainable business practices in the pursuit to increase shareholders' value.

This Report outlines our short- and long-term targets¹ concerning the material ESG factors linked to our business strategy and financial performance. We want to take this opportunity to acknowledge the continued support from our stakeholders and seek their support in our goal of sustainable growth and development.

¹ In our business planning, we consider 'short term' to be less than two (2) years, 'medium term' to be two (2) to five (5) years, and long term to be beyond five (5) years.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Ho Bee Land reiterates its commitment to sustainability with the publication of its 5th Sustainability Report.

Ho Bee Land (“HBL” or the “Company”) is pleased to present the Company’s annual Sustainability Report (the “Report”), which covers the Group’s performance of our operations in Singapore, China, Australia, Germany and the United Kingdom from 1 January 2021 to 31 December 2021 (the “FY2021” or “reporting period”).

The Report summarises HBL’s key sustainability issues, our management approach, our related performance concerning material Environment, Social and Governance topics (“ESG”) across the Company’s operations, and short- and long-term for each of the material ESG topics. HBL has been committed to sustainability reporting since our first Report in 2017. We continue to reference the Global Reporting Initiative (“GRI”) Standards

as it is an internationally recognised reporting framework that closely matches Ho Bee Land’s sustainability disclosures.

The Report incorporates the primary components of report content as set out by the SGX’s “Comply or Explain” requirements on sustainability reporting under Listing Rules 711A and 711B.

Additionally, we have aligned factors we deemed material to relevant United Nations Sustainability Development Goals (“SDGs”). Through this shared blueprint towards the 2030 Agenda for Sustainable Development, we hope to contribute to a better and more sustainable future for all.

The scope of the Report covers the Group’s operations in Singapore, China, Australia, Germany and the United Kingdom unless stated otherwise. HBL’s key ESG factors that were identified in previous years are still relevant in the current year and have been carefully incorporated in the

formulation of our business strategies. One of our focuses is to ensure that our buildings and properties are sustainable and energy-efficient.

We must continue to prioritise key ESG factors based on their impacts on our internal and external stakeholders, as outlined in the Stakeholders Engagement section. The GRI Index Page has a detailed section reference to the GRI Standards.

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

As part of HBL’s sustainability efforts, no hard copies of this Sustainability Report have been printed. Together with the previous editions, the report is available at our corporate website at <https://hobee.com/investor-relations/annual-reports/>.

SUSTAINABILITY AT HO BEE LAND

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

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

Our commitment to sustainability focuses on the five (5) key pillars as shown in Figure 1.

Our Sustainability Governance

Our Board of Directors (“Board”) determines the overall direction for the Company’s sustainability strategies. The Board is responsible for the evaluation and incorporation of sustainability issues as part of the Group’s strategic formulation, and to approve, manage and monitor ESG factors material to the business.

To drive organisation-wide sustainability initiatives holistically, we have established a Sustainability Team that is responsible for implementing and formalising sustainability policies and procedures, management processes, and sustainability development standards. The team also supports and provides adequate resources to various functional units to perform the established sustainability processes and practices.

The Sustainability Team works closely with HBL’s Operations Committee, comprising representatives from Human Resources, Projects, Marketing, Facilities Management, Corporate, and Finance to support the Company’s efforts in driving sustainability-related efforts. The team is responsible for implementing HBL’s sustainability objectives and strategy, managing and monitoring overall sustainability performance, and ensuring the Board is regularly updated on HBL’s sustainability progress.



Figure 1: Ho Bee Land’s commitment to sustainability across five (5) pillars

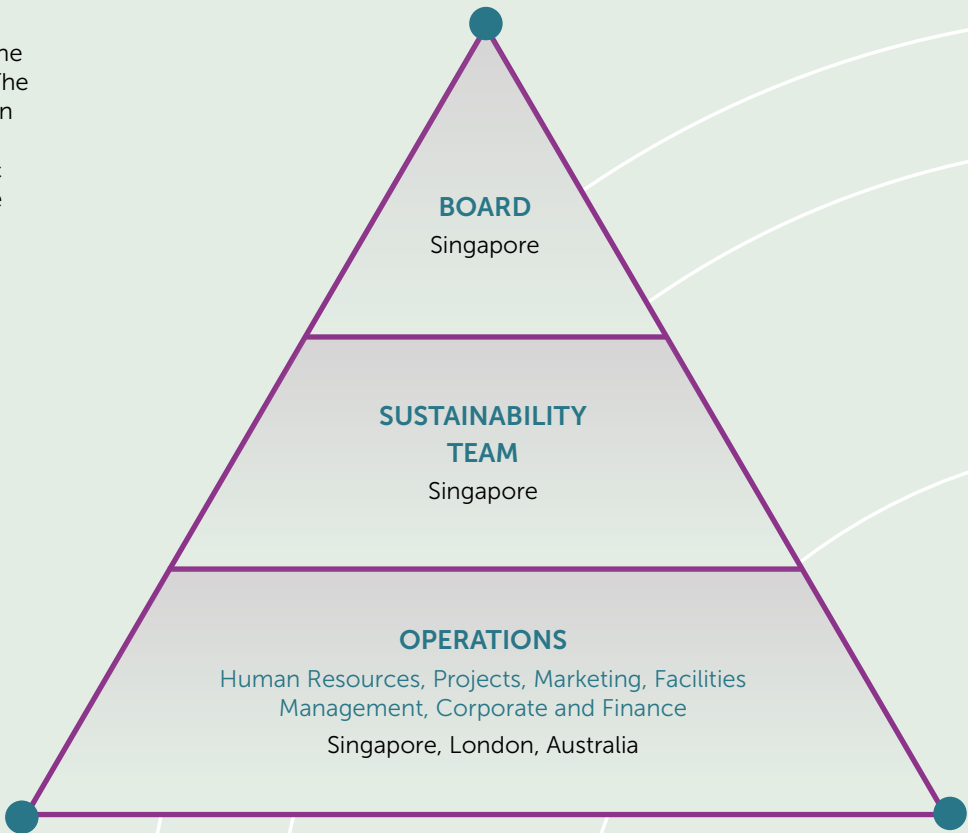


Figure 2: Ho Bee Land’s sustainability governance structure

SUSTAINABILITY REPORT

Stakeholder Engagement

In FY2021, COVID-19 regulations and restrictions have made traditional in-person meetings difficult. However, HBL is committed to understanding and safeguarding our stakeholders’ interests. We continue to engage all our stakeholder groups by leveraging on technology and the use of our website to keep them updated on developments in HBL and to receive their feedback.

Key stakeholders were identified based on their influence on the Group’s business and the impact of our businesses on them. The Group engages stakeholders through various channels to identify and understand issues pertinent to them.

HBL has identified a total of six (6) key stakeholder groups. A summary of our approach towards stakeholder engagement is outlined in the table below:

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

Memberships and External Initiatives

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

Materiality Assessment

HBL adopts a four-step approach based on the guidelines on GRI Materiality Standard and Principles, to regularly review and assess the ESG factors. Through this approach, we have identified, prioritised, and validated the following ESG factors to be of relevance and significance to our business operations and key stakeholders.

These material ESG topics include anti-corruption, environmental (e.g. energy and water), customer data privacy, employee well-being, training and development, local communities, amongst others that are ESG-relevant.



Figure 3: Ho Bee Land’s materiality assessment

As an expansion of our sustainability commitments since 2020, we have aligned our ESG efforts with 12 relevant Sustainable Development Goals (SDGs) out of the total 17 SDGs as shown below:

Material Topic	GRI Standard	GRI disclosures	Impact Boundary	Sustainable Development Goals (SDGs)
Enhancing Economic Value				
Economic Performance	GRI 201	GRI 201-1	All business operations	 
Contributing to a Sustainable Environment				
Energy	GRI 302	GRI 302-1 GRI 302-4	Singapore operations * please refer to details on pages 34 to 37.	  
Water	GRI 303	GRI 303-5		
Developing our People				
Employment	GRI 401	GRI 401-1 GRI 401-2 GRI 401-3	All employees in Singapore	    
Training and Development	GRI 404	GRI 404-1 GRI 404-3		
Diversity and Equal Opportunity	GRI 405	GRI 405-1		

SUSTAINABILITY
REPORT

Material Topic	GRI Standard	GRI disclosures	Impact Boundary	Sustainable Development Goals (SDGs)
Enriching our Communities				
Local Communities	GRI 413	GRI 413-1	Singapore operations	 
Strengthening Corporate Governance				
Anti-Corruption ²	GRI 205	GRI 205-1 GRI 205-2	Singapore operations	
Environmental Compliance	GRI 307	GRI 307-1		
Socioeconomic Compliance	GRI 419	GRI 419-1		
Customer Privacy	GRI 418	GRI 418-1		

For the financial year ended 31 December 2021, the Board has determined that the eleven (11) ESG factors are identified to be material to HBL. With our policies and systems in place, we will continue to review the expansion, relevance and significance of these material topics for HBL on an annual basis.

ENHANCING ECONOMIC VALUE

Economic Performance
(GRI 201-1)

HBL’s main source of revenue is from the sale of development properties and rental of investment properties. In FY2021, HBL achieved revenue of S\$347.7 million and profit after tax of S\$330.5 million. Both revenue and profit improved as compared to the previous year.

For more information, refer to the financial section of our Annual Report FY2021 for HBL’s economic performance.

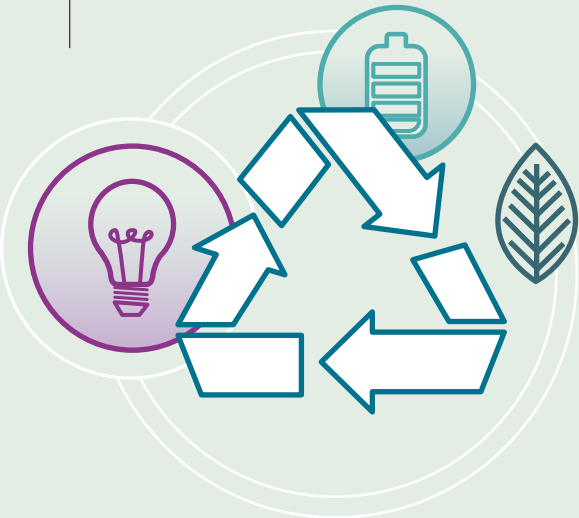
CONTRIBUTING TO A
SUSTAINABLE ENVIRONMENT

Singapore has committed to reducing emissions following the Paris Agreement, pledging a reduction in emission intensity of 36% by 2030 from 2005 levels. The Building and Construction Authority (BCA) of Singapore also aims to have 80% of buildings in Singapore achieve the BCA Green Mark standard by 2030 to improve the overall energy efficiency of the buildings.

The conservation of energy and water contributes to our operational efficiency and long-term sustainability, which are vital to the Group’s environmental footprint and translate to cost savings for our customers and tenants. Therefore, we are strongly committed to doing our part to proactively support environmentally friendly practices and respond to the needs of our stakeholders.

In addition to ensuring responsible energy and water usage, we are also conscious of the role we play in engaging with our stakeholders to reduce and manage waste efficiently. In Singapore, we support the government’s vision of transitioning to a Zero Waste Nation by collaborating with partners to enhance our recycling programmes while encouraging our tenants’ participation.

Since 2017, HBL has adopted an Environmental Policy that advocates sustainable environmental practices within the organisation. Besides guiding responsible environmental stewardship, the policy serves to promote the adoption of environmental best practices and safeguard compliance with all relevant environmental legislation.



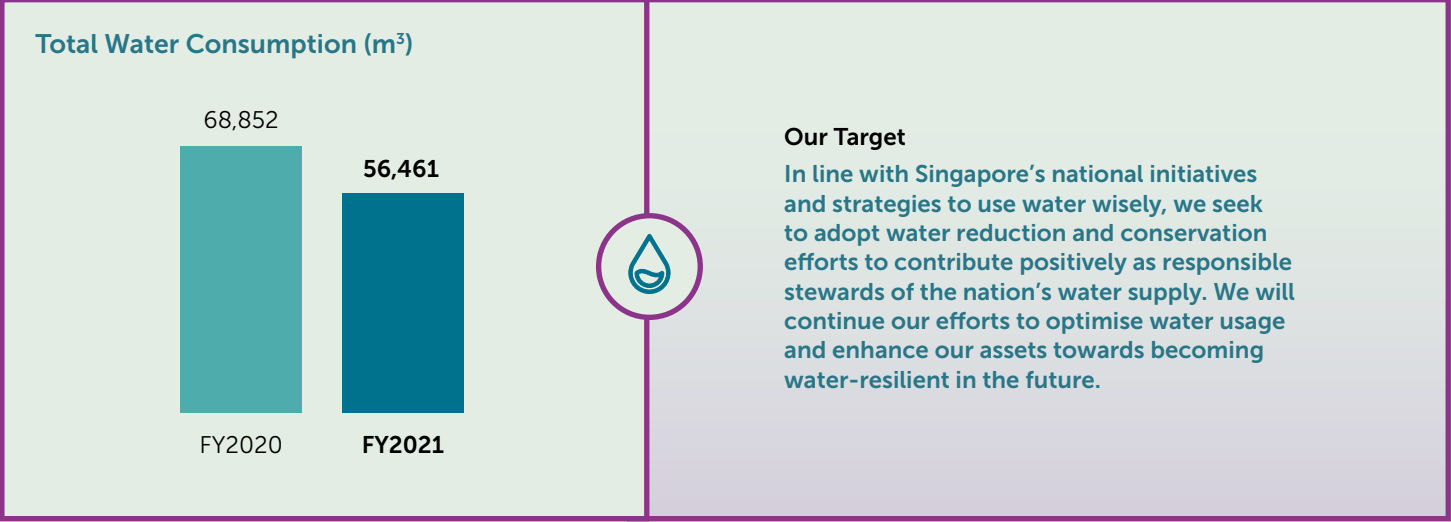
Energy
(GRI 302-1, GRI 302-4)

We continue to adopt practicable energy and resource-saving initiatives without compromising on the standard of maintenance or in our delivery of good service. The total energy consumption at our flagship development, The Metropolis, in FY2021 is 8,880,969 kWh, mainly in electricity consumption. This was an incremental reduction of 448 kWh from the previous year, notwithstanding the return of our tenants to The Metropolis (FY2020: 20% reduction). There is no heating, cooling or steam purchased or self-generated for consumption in The Metropolis. There is also no fuel consumption, whether from renewable or non-renewal sources.



Water
(GRI 303-5)

In FY2021, our consumption of Domestic Water reduced by almost 34% (or about 12,100 m³) (FY2020: 43% reduction), and NEWater reduced by almost 1% (or about 280 m³) (FY2020: 23% reduction). Within The Metropolis, the total water consumption reduced by 22% from 68,852 m³ in FY2020 to 56,461 m³ in FY2021. This is due to our consistent efforts to optimise water usage over this pandemic period, especially for The Metropolis.



2 This includes our policies and practices around whistleblowing.

SUSTAINABILITY REPORT

GOING GREEN AT THE METROPOLIS

The Metropolis exemplifies HBL's commitment to building an environmentally sustainable business and delivering long-term value to its stakeholders. The property was designed to incorporate a range of innovative solutions that conserve energy and water, and reduce carbon dioxide emissions, thereby minimising the environmental impact of the building. This has earned The Metropolis the coveted Green Mark Platinum certification, which is the highest rating for energy-efficient buildings, by the Building & Construction Authority (BCA) of Singapore.

Energy Saving Highlights	FY2020	FY2021
Energy Efficiency Index (EEI)	149.88 kwh/yr/m²	147.80 kwh/yr/m²
Renewable energy generated by Solar Photovoltaic technology	59,566 kwh/yr	59,950 kwh/yr
System efficiency of the energy-efficient chiller plant	0.55 kW/RT	0.54 kW/RT

The implemented green features as described below have helped reduce the overall energy consumption:

Innovative Building Design

- Solar photovoltaic panel to harness sunlight and generate clean, renewable energy
- Sun shading fins and double glazed low-e glass on windows
- Photocell sensors along the perimeter of the building to regulate lighting (photocell sensors will turn off lighting if there is sufficient daylighting at the perimeter)
- Pre-fitted tanks installed to harvest rainwater which is used for the auto-irrigation system
- A paper recycling chute was installed

Energy Efficiency Features

- Energy-efficient lighting systems such as the T5 fluorescent lighting with high-frequency electronic ballast in all office and retail spaces
- Motion sensors in lavatories and stairwells
- Variable voltage variable frequency lifts and escalators which are also equipped with sleep mode feature
- Energy-efficient chiller plant with a system efficiency of 0.54 kW/RT and auto tube cleaning system

Water Efficiency Features

- Water fittings are certified under the Public Utilities Board's "Excellent" and "Very Good" Water Efficiency Labelling Scheme (WELS) rating
- Private water meters have been installed to monitor rainwater harvested, water consumption, and to detect water leakages
- Automatic water-efficient drip irrigation system
- NEWater used as makeup water for the cooling tower
- Collection of water from condensation of air-conditioners
- Sensors have been installed to stop the irrigation system during periods of rainfall

Other Sustainable Operations and Management Features

- Recycling bins are located at L1 and B1 for the collection of recyclables such as plastics, cans, paper, lamps or light tubes, and ad-hoc E-Waste (Electrical/Electronic) recycling collection
- Provision of carpark guidance system
- Carbon monoxide sensors for basement carpark ventilation

In the forthcoming year, Ho Bee Land targets to maintain Green Mark Platinum Certification for The Metropolis.

In line with evolving business practices and stakeholder sentiments, the international real estate sector has seen a shift towards sustainable or green buildings in efforts to ensure environmental sustainability. HBL is committed to this endeavour and targets to achieve the BCA Green Mark Certification for all new developments in Singapore and equivalent certification for the Group's new developments in Australia.

Supply chain responsibility

We recognise that our operations are dependent on a reliable supply chain that ensures we are able to receive the goods and services we require. We engage with various contractors and consultants across our supply chain for supplies, fixtures, amenities, IT support,

and other services. Our most critical suppliers undergo a high-level supplier assessment during the tender process.

At The Metropolis, we engage several SME and MNC contractors and suppliers. They carry out maintenance work on the facilities and supply the required fittings and other consumables. We are selective in the vendors that we work with, and they have to satisfy a set of pre-qualification criteria before we invite any vendors to participate in the tender/quotation for the provision of services. The work involved in the suppliers' engagement is mainly labour intensive, requiring work to be performed onsite. There are no significant changes to our supply chain in FY2021.

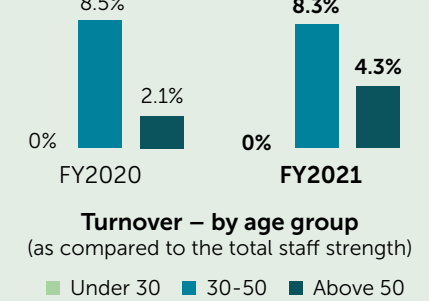
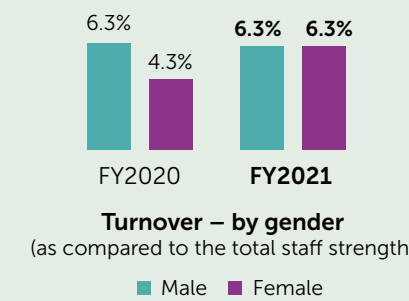
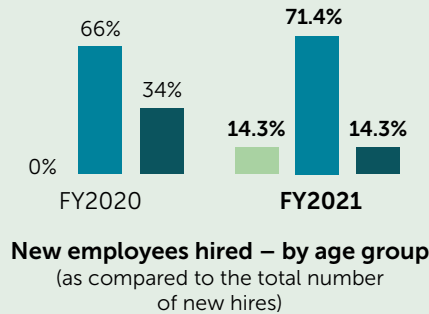
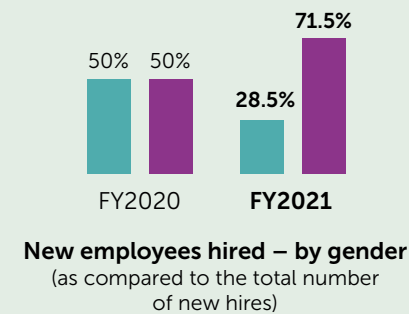
DEVELOPING OUR PEOPLE

Employment – New hires & turnover (GRI 401-1)

At HBL, we practise non-discrimination and equal opportunity. Therefore, our new hires are employed based on merits and experiences, and we seek to keep our turnover low by promoting employees' loyalty through benefits, safety and welfare.



As a % of total staff strength	FY2020	FY2021
New employees hired	12.8%	14.6%
Turnover rate	10.6%	12.6%



Our Target
HBL believes in investing in human capital as it can increase productivity and profitability. Aside from efforts to maintain a low turnover rate, we continued to attract new talent in ensuring our company's success.

SUSTAINABILITY REPORT

Employment – Welfare & Wellness
(GRI 401-2, GRI 401-3)

Employees’ well-being directly affects how employees think and feel about their job and organisation; therefore, we continue to focus on providing a good and safe office environment for the employees. From the start of the Covid-19 pandemic, HBL provides employees with adequate supplies of medical-grade face masks, HSA-approved antigen rapid test (ART) kits, and hand sanitisers. High touchpoints in the office and common areas of the building are disinfected regularly.

HBL offers competitive salaries and staff benefits such as medical insurance and healthcare benefits to its employees.

All our staff are entitled to parental leave as long as they fulfil the entitlement eligibility. This will encourage and support shared parental responsibilities in taking care of their infants.

In FY2021, there was no employee entitled to parental leave. Hence, no employee has applied or taken parental leave during this period.



Our Target

Since the global pandemic, many business practices have shifted dramatically. Nevertheless, HBL will continue investing in the welfare and wellbeing of our employees. In addition, to maintain the strong rapport and team spirit amongst our employees, more activities will be organised for the employees once the pandemic eases.

We are also mindful of the need to have sufficient life and medical insurance coverage for our employees, as well as to make sure they have sufficient vacation leave to rest and spend time with loved ones.



Training and Development
(GRI 404-1, GRI 404-3)

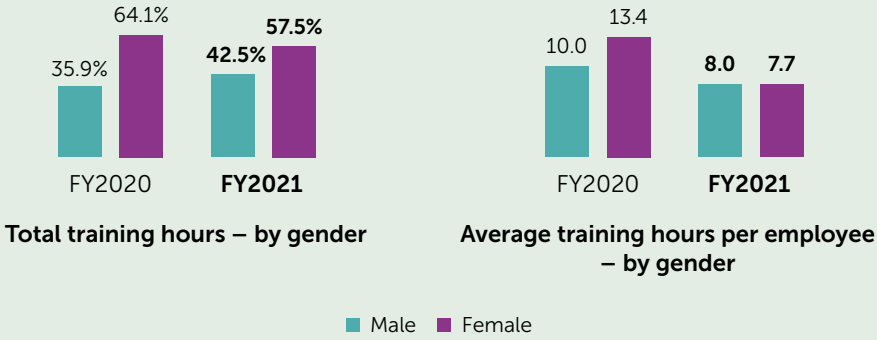
Employees’ training and development are essential to the success of our business growth. Our training and development programmes not only offer opportunities for staff to improve their skills but also for employers to enhance employees’ productivity and improve the company’s learning culture. We believe that the more we invest in our employees’ education and training, the more productive and profitable our business should be.

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

Due to the pandemic, it was a challenge to conduct skills-based training in FY2021, especially courses that required hands-on application. Where possible, employees attended virtual training sessions. In FY2021, we achieved 50% of our target of 16 training hours per employee.

Further, HBL’s management supports our employees’ career development and discuss their plans through regular performance review to assess and provide feedback on their performance. Despite working from home arrangements, 100% of HBL’s employees have received regular performance and career development reviews in FY2021.

	FY2020	FY2021
Average training hours per employee	12 hours	8 hours



Percentage of employees receiving regular performance and career development reviews		
	FY2020	FY2021
By gender (Percentage – as compared to the total number of employees per gender)		
Male	100%	100%
Female	100%	100%



Our Target

We will continue to improve our training programmes and adapt to the changing environment to ensure our employees are well equipped for the current and future needs of the industry. We will also continue to support our employees’ career development, ensuring 100% of our employees receive regular performance and career development reviews.

SUSTAINABILITY REPORT

Diversity and Inclusivity in the Workplace (GRI 405-1)

Cultural diversity in the workplace happens when companies are open to hiring employees from different backgrounds, regardless of race, age, religion, and cultural background. HBL believes that having a diversified pool of employees brings about different benefits to our organisation.

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

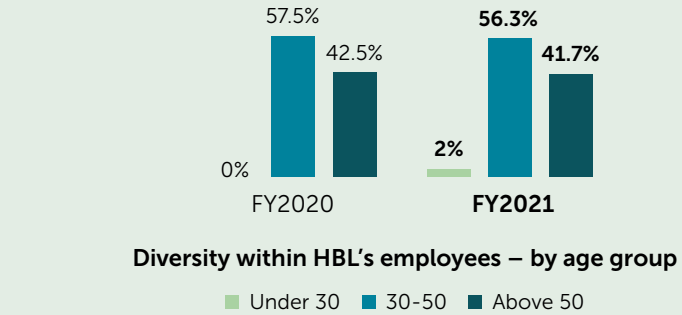
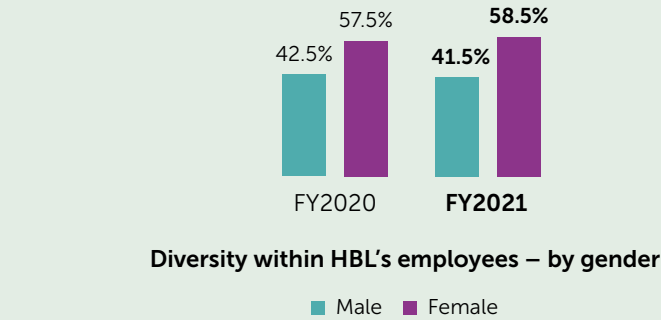
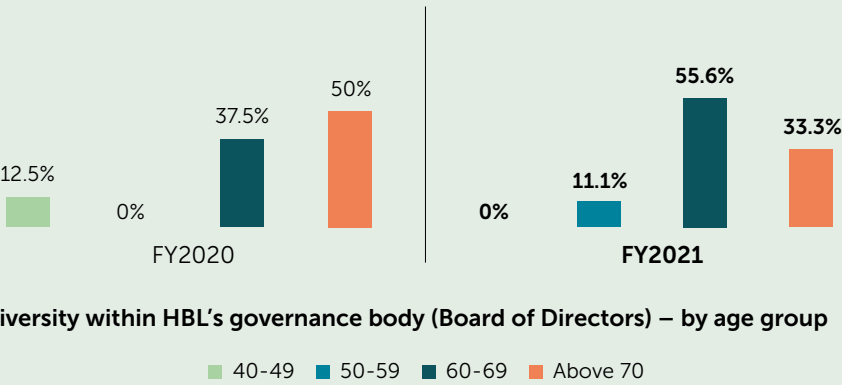
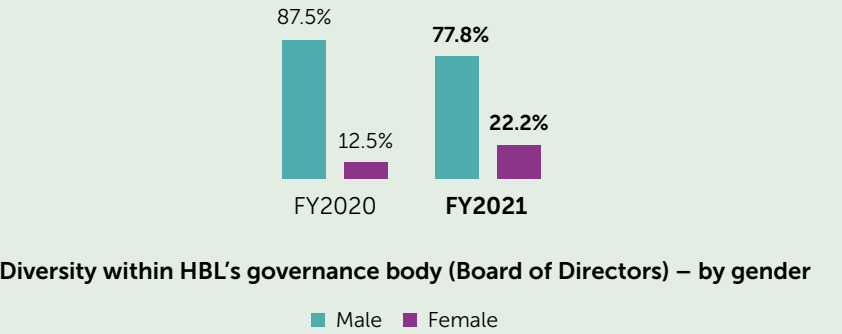
An inclusive workplace that understands our employees' needs, making them feel valued and respected, has a significant and positive impact on our employee retention. Companies that value diversity and inclusivity tend to appeal to the public and other talents in the market.

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



Our Target

Zooming into FY2021, we observed that diversity across gender, age group and employee category has remained relatively constant across the two years. HBL strives to ensure equal opportunities and career progression are made available and accessible to all employees regardless of gender, race, and age group. Notwithstanding that the composition of governance body at HBL remains a fair representation of various employee categories.



ENRICHING OUR COMMUNITIES

We are committed to supporting the needs of our local communities and strive to be a socially responsible company that creates a positive social impact. We encourage all our employees to give back to the community through community services, donations, and fundraising.

Local Communities (GRI 413-1)

Despite the disruption caused by the COVID-19 situation, HBL is glad to extend our efforts to serving the wider community in which we work and live. We continued to create vibrant spaces for our employees, tenants, residents, and the larger community. We also remain committed to forging partnerships with our community through placemaking initiatives while adhering to safe management measures.

SGX Cares Bull Charge Virtual Charity Run 2021 29 October – 7 November 2021

Employees of HBL ran the extra mile for a good cause – our first outdoor activity since the beginning of the COVID-19 pandemic – in support of the SGX Cares Bull Charge Virtual Charity Run 2021.

Held over 10 days, the virtual charity run aimed to raise funds for the underprivileged community. Ho Bee Foundation was one of the event sponsors.



Moo Moo PARK Art Exhibition 1 December 2021 - 4 January 2022

In celebration of the Year of the Ox, HBL hosted the Moo Moo PARK art exhibition at The Metropolis as part of its community-building efforts.

Blending art and augmented reality (AR) technology, the exhibition invited eight local artists to create an ox-inspired design, each with a focus on Sustainable Development Goals.

Tenants of The Metropolis and members of the public were invited to experience the interactive 3D installation art, selfie filters, and AR murals while learning the ways to protect our environment. The exhibition was developed by Singapore Chinese Cultural Centre and The MeshMinds Foundation, with support from the United Nations Environment Programme.



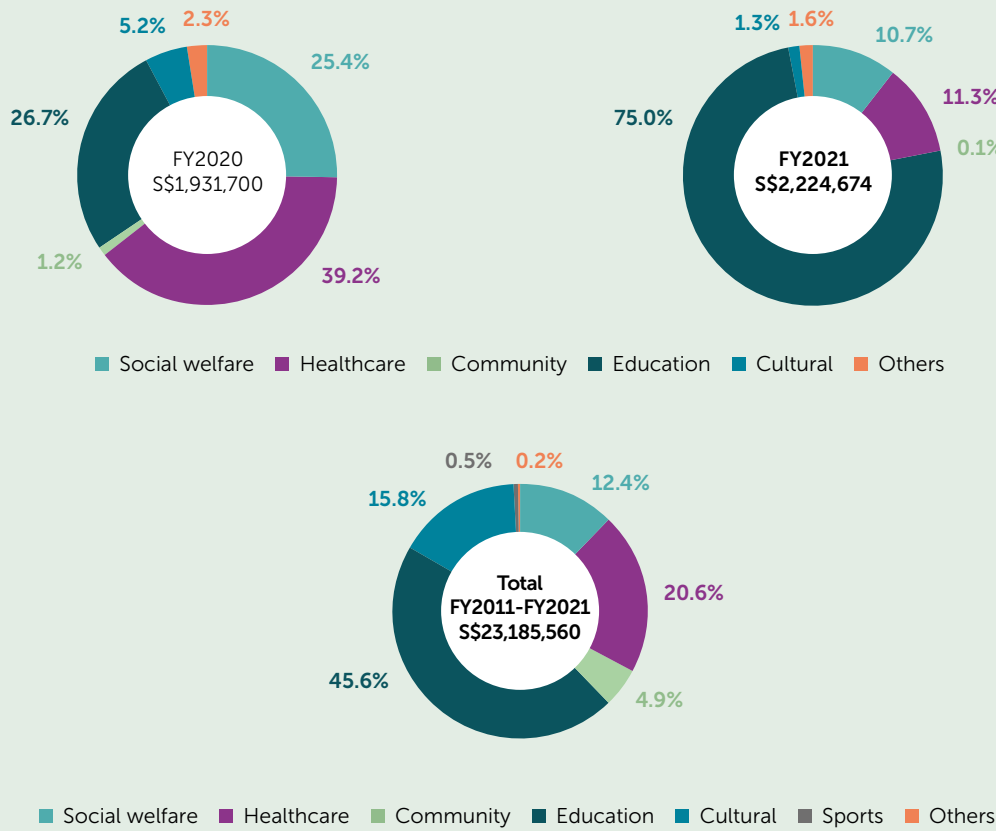
SUSTAINABILITY REPORT

Ho Bee Foundation

Ho Bee Foundation (“HBF”) was set up in October 2010 to serve as the philanthropic arm of the Ho Bee Group.

For more than a decade, HBF has supported a wide range of charitable causes in education and skills training, community and social welfare, healthcare, arts, and culture. In FY2021, the total amount of charitable donations disbursed by HBF was S\$2.22 million (FY2020: S\$1.93 million). To date, HBF has donated S\$23.19 million (FY2020:S\$20.96 million) since inception.

The following pie charts depict the percentage of contribution to the various sectors for (i) FY2020, (ii) FY2021, and (iii) total contributions from FY2011 to FY2021:



S\$10 million gift to NUS Teach Singapore

Ho Bee Foundation made a S\$10 million endowed gift to the National University of Singapore (NUS) in support of Teach Singapore. The gift will fund NUS students to give back to society and positively transform the lives of children and youths from lower-income families in Singapore through academic coaching and mentorship.

President’s Challenge 2021

In recognition of its long-standing philanthropic contributions, Ho Bee Foundation was recognised by Mdm President Halimah Yacob at the President’s Challenge 2021 Appreciation Event held on 18 November 2021.

Friend of the Arts Award 2021

For its long-term contributions to the Singapore arts scene, HBF was awarded Friend of the Arts by National Arts Council on 17 September 2021.

Our Commitment amid the COVID-19 Pandemic

Despite unprecedented challenges and business impacts from the COVID-19 pandemic, HBF remained strongly committed to serving the local community in need.

On 20 May 2020, HBF announced the setting up of a S\$1.3 million COVID-19 Support Fund (“Fund”). The Fund was made up of a pledged contribution of S\$1.0 million from HBL and S\$300,000 from its Board of Directors and Senior Management. To date, S\$877,300 has been disbursed to charitable organisations.

	FY2020	FY2021
Donations towards charitable causes	S\$1.93 million	S\$2.22 million



Our Target

In the forthcoming year, HBL will continue to engage our employees through volunteering opportunities, and make positive impact towards community building.

STRENGTHENING CORPORATE GOVERNANCE

HBL prides itself on its good corporate governance practices. We are committed to ensuring and maintaining a high standard of governance and business conduct to safeguard the interests of our stakeholders, thereby ensuring long-term value creation. Good corporate governance dictates that crisis management, anti-corruption, fraud prevention, and compliance be placed high up on a company’s agenda. We will constantly develop robust corporate policies and internal processes to address these areas.

running its business and acts as a benchmark of ethical behaviour for all staff to follow.

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

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

All operations at HBL, including operations in Singapore and Australia, have been assessed for risks related to corruption and we are pleased to find that no incidents of corruption have been identified.

	FY2020	FY2021
Incidents of corruption	0	0

Anti-Corruption (GRI 205-1, GRI 205-2)

HBL has established prudent policies and measures to promote and uphold integrity throughout the organisation. We have a zero-tolerance approach towards corruption and fraud. Included in the Ho Bee Land Staff Handbook is our Professional Conduct and Discipline guide. All employees are required to adhere to our corporate policies and standard operating procedures, which sets out the Group’s philosophy in

SUSTAINABILITY REPORT

Whistle-blowing Policy

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

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

To ensure fair investigations, all reports are to be submitted to the Chairman of the Audit & Risk Committee ("ARC") via email or by post. Reports deemed significant by the ARC Chairman after consultation with the Chairman of the Board will be duly investigated by an Investigation Committee. The Investigation Committee shall comprise independent members appointed by the ARC.

The Group takes reasonable steps to protect the confidentiality and identity of the Whistleblower, subject always to the prevailing laws and regulations. The Whistleblower acting in good faith shall be protected from any reprisal. If it is

determined that the Whistleblower who is an employee experienced any form of reprisal as a consequence of his report, the ARC shall ensure that immediate action is taken to reinstate the employee to his former position and/or be fully compensated for any losses or damages suffered.

In FY2021, there were no confirmed incidents of corruption. Hence, no employees were dismissed or disciplined for corruption, no contracts with business partners were terminated or not renewed due to violations related to corruption, and there were no public legal cases regarding corruption brought against HBL or its employees.



Our Target
Maintain a clean record with no incident of corruption for FY2022.

Compliance with Laws and Regulations (GRI 307-1, GRI 419-1)

HBL adheres to the highest standards of corporate governance practices as guided by the Code of Corporate Governance 2018. We also abide by all applicable laws and regulations including the listing rules and regulations set out by SGX, and the MAS Securities and Futures Act.

compliance with reporting requirements pertaining to the submission of environmental data. Properties are also subject to periodic environmental audits by the local authorities.

In FY2021, the Group had no incident of non-compliance with environmental, socioeconomic, and all other applicable laws and regulations.

	FY2020	FY2021
Significant instances of non-compliance with all applicable laws and regulations	0	0



Our Target
We endeavour to maintain a clean record with zero (0) incidents of regulatory non-compliance for FY2022, as well as to maintain our overall compliance record with specific laws or regulations in the social and economic area.

Our properties are subject to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations administered by the BCA, as well as the Energy Conservation Act and Environment Protection and Management Act governed by the National Environment Agency (NEA).

Property Managers conduct regular checks within the buildings and ensure

Customer Data Privacy (GRI 418-1)

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

In FY2021, we had no complaints concerning breaches of customer privacy and losses of customer data.



Our Target
Maintain zero (0) substantiated complaints and breaches of customer data privacy in FY2022 and promote efforts that ensure the protection of customer privacy.

GRI CONTENT INDEX

GRI Standards	Disclosure	Report Section	Page Reference
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organisation	About this report	30
102-4	Location of operations	About this report	30
102-9	Supply chain	Supply chain responsibility	37
102-10	Significant changes to the organisation and its supply chain	Supply chain responsibility	37
102-12	External initiatives	Membership and external initiatives	33
102-13	Membership of associations	Membership and external initiatives	33
Strategy			
102-14	Statement from senior decision-maker	Board statement	29
Ethics and integrity			
102-17	Mechanisms for advice and concerns about ethics	Anti-corruption	43
Governance			
102-18	Governance structure	Our sustainability governance	31
102-32	Highest governance body's role in sustainability report	Our sustainability governance	31
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement	32
102-42	Identifying and selecting stakeholders	Stakeholder engagement	32
102-43	Approach to stakeholder engagement	Stakeholder engagement	32
102-44	Key topics and concerns raised	Stakeholder engagement	32
Reporting practice			
102-46	Defining report content and topic boundaries	About this report	30

SUSTAINABILITY REPORT

GRI Standards	Disclosure	Report Section	Page Reference
102-47	List of material topics	Materiality Assessment	33 to 34
102-49	Changes in reporting	Materiality Assessment	33 to 34
102-50	Reporting period	About this report	30
102-52	Reporting cycle	About this report	30
102-53	Contact point for questions regarding the report	About this report	30
102-54	Claims of reporting following GRI Standards	About this report	30
102-55	GRI content index	GRI content index	45 to 46
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundary	Materiality Assessment	33 to 34
103-2	The management approach and its components		
Topic-specific Standards			
201-1	Direct economic value generated and distributed	Economic performance	34
302-1	Energy consumption within the organisation	Energy	35 to 36
302-4	Reduction of energy consumption	Energy	35 to 36
303-5	Water consumption	Water	35 to 36
401-1	New employee hires and employee turnover	Employment – new hires & turnover	37
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment – welfare & wellness	38
401-3	Parental leave	Employment – welfare & wellness	38
404-1	Average hours of training per year per employee	Training and development	39
404-3	Percentage of employees receiving regular performance and career development reviews	Training and development	39
405-1	Diversity of governance bodies and employees	Diversity and inclusivity in the workplace	40
413-1	Operations with local community engagement, impact assessments, and development programmes	Local communities	41 to 43
205-1	Operations assessed for risks related to corruption	Anti-corruption	43
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption	43
307-1	Non-compliance with environmental laws and regulations	Compliance with laws and regulations	44
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance with laws and regulations	44
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer data privacy	45

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 reputation;
- ensures that good values, culture and ethical standards permeate the organisation;
- ensures that the Company provides good quality products to meet customer needs, and carries out its obligations to shareholders and other stakeholders in a fair, equitable and reasonable manner; and
- ensures that the Company has put in place a sustainability framework and considers sustainability issues (environment, social and governance factors) when formulating strategies.

During the financial year ended 31 December 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.

CORPORATE
GOVERNANCE

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
Number of meetings held in FY2021	5	4	3	2
Chua Thian Poh	5	N.A.	3	N.A.
Ong Chong Hua	5	N.A.	N.A.	N.A.
Desmond Woon Choon Leng ⁽¹⁾	5	N.A.	N.A.	N.A.
Bobby Chin Yoke Choong	5	4	3	N.A.
Jeffery Chan Cheow Tong ⁽²⁾	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 ⁽³⁾	2	N.A.	2	1
Lim Swee Say ⁽⁴⁾	1	1	1	N.A.

N.A.means not applicable

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

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

⁽³⁾ 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.

⁽⁴⁾ 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.

CORPORATE
GOVERNANCE

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).

CORPORATE
GOVERNANCE

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

Board committee(s) served on	Nominating Committee (Member)
Academic and professional qualification(s)	Not applicable.
Current directorships in other listed companies and other principal commitments	Other listed companies Nil Other principal commitments⁽¹⁾ (1) Singapore Federation of Chinese Clan Associations (Honorary President) (2) Singapore Chinese Cultural Centre (Chairman) (3) Singapore Hokkien Huay Kuan (Vice-Chairman of Board of Governors) (4) Singapore Chinese Chamber of Commerce & 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)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to Directors’ statement and Shareholding Statistics on pages 80 and 170 respectively.
Relationship with other director, executive officer, or substantial shareholder of the Company	Father of Mr Nicholas Chua who is the CEO of the Company.

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

CORPORATE
GOVERNANCE

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⁽¹⁾

Board committee(s) served on	Nil
Academic and professional qualification(s)	Bachelor of Science in Finance and Marketing
Current directorships in other listed companies and other principal commitments	Other listed companies Nil Other principal commitments⁽²⁾ (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)
Past directorships in other listed companies held over preceding 5 years	Nil
Shareholding interests in the Company	Refer to Directors’ statement and Shareholding Statistics on pages 80 and 170 respectively.
Relationship with other director, executive officer, or substantial shareholder of the Company	Son of Dr Chua Thian Poh who is the Executive Chairman and controlling shareholder of the Company.

⁽¹⁾ 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.

⁽²⁾ 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⁽¹⁾

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

⁽¹⁾ 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.

⁽²⁾ 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.

CORPORATE
GOVERNANCE

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⁽¹⁾

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

⁽¹⁾ 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.

CORPORATE
GOVERNANCE

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

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

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

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

CORPORATE
GOVERNANCE

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

Board committee(s) served on	Remuneration Committee (Chair), Nominating Committee (Member)
Academic and professional qualification(s)	Bachelor of Science Degree (Honours)
Current directorships in other listed companies and other principal commitments	Other listed companies Nil Other principal commitments (1) Ren Ci Hospital (Chairman) (2) 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 & Industry (Honorary Council Member) (19) Kwong Wai Shiu Hospital & Nursing Home (Honorary Director) (20) Singapore Nutri-Diet Industries Pte Ltd (Director)
Past directorships in other listed companies held over preceding 5 years	Hi-P International Limited
Shareholding interests in the Company	Nil
Relationship with other director, executive officer, or substantial shareholder of the Company	Nil

CORPORATE
GOVERNANCE

PAULINE GOH, 63

Independent Non-Executive Director

Date of first appointment as director: 29 April 2021

Date of next re-appointment as director: 21 April 2022⁽¹⁾

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

⁽¹⁾ Ms 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.

CORPORATE GOVERNANCE

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

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

CORPORATE GOVERNANCE

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.

CORPORATE
GOVERNANCE

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	- Make recommendations to the Board on all board appointments and nomination of directors for election or re-election. - Assess Board's performance and Director's independence.

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	As above

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:

- Ms Pauline Goh as Independent Director on 29 April 2021;
- Mr Lim Swee Say as Independent Director on 1 October 2021; and
- 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	- 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. - 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.

FY2022 (as reconstituted)

RC	
Membership	Key objective(s)
Seow Choke Meng (RC Chairman) Bobby Chin Yoke Choong Ko Kheng Hwa Pauline Goh	As above

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	
Board Chairman	N.A.
Board Member	S\$60,000
Additional fee for other appointments	
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 ⁽¹⁾	Base / Fixed Salary	Variable / Bonuses	Benefits / Allowances	Share-Based	Total
Above S\$10,000,000 and up to S\$10,250,000						
Chua Thian Poh <i>Chairman & CEO</i>	–	9%	90%	1%	–	100%
Above S\$2,000,000 and up to S\$2,250,000						
Ong Chong Hua <i>Executive director & COO</i>	–	26%	73%	1%	–	100%
Above S\$1,000,000 and up to S\$1,250,000						
Desmond Woon Choon Leng <i>Executive director</i>	–	36%	63%	1%	–	100%
S\$250,000 and below						
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

⁽¹⁾ 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⁽¹⁾ (who are not directors or the CEO) (in bands of S\$250,000)

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

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

⁽²⁾ 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	- Assist the Board in fulfilling its oversight responsibilities. - Review the financial reporting process, the system of internal controls and risk management, the audit process, and the Company’s process for monitoring compliance with laws and regulations and code of business conduct.

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	As above

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:

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

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. 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/.

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.

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.

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

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

CORPORATE
GOVERNANCE

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

FINANCIAL
STATEMENTS

80	Directors' Statement
84	Independent Auditors' Report
91	Statements of Financial Position
92	Consolidated Income Statement
93	Consolidated Statement of Comprehensive Income
94	Consolidated Statement of Changes in Equity
96	Consolidated Statement of Cash Flows
98	Notes to the Financial Statements

DIRECTORS’ STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

- (a) the financial statements set out on pages 91 to 167 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

DIRECTORS

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

Chua Thian Poh, Chairman
Nicholas Chua Wee-Chern (Appointed on 1 January 2022)
Ong Chong Hua
Bobby Chin Yoke Choong
Ko Kheng Hwa
Seow Choke Meng
Josephine Choo Poh Hua
Pauline Goh (Appointed on 29 April 2021)
Lim Swee Say (Appointed on 1 October 2021)

DIRECTORS’ INTERESTS IN SHARES OR DEBENTURES

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

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Chua Thian Poh The Company – ordinary shares	–	–	501,104,150	501,538,750
<u>Immediate and ultimate holding company</u> Ho Bee Holdings (Pte) Ltd – ordinary shares	22,000,000	22,000,000	–	–

DIRECTORS’ STATEMENT

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

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
	At beginning of the year/ date of appointment	At end of the year	At beginning of the year/ date of appointment	At end of the year
Chua Thian Poh (cont'd) <u>Related corporations</u> Ho Bee Cove Pte. Ltd. – ordinary shares	–	–	900,000	900,000
HB Investments (China) Pte. Ltd. – ordinary shares	–	–	80,000	80,000
Kingdom Investment Holdings Pte. Ltd. – ordinary shares	–	–	62,400,000	62,400,000
Nicholas Chua Wee-Chern The Company – ordinary shares	3,072,000	3,072,000	–	–
Desmond Woon Choon Leng The Company – ordinary shares	2,100,000	2,100,000	–	–
Ong Chong Hua The Company – ordinary shares	1,800,000	1,940,000	–	–
<u>Related corporation</u> Kingdom Investment Holdings Pte. Ltd. – ordinary shares	1,625,000	1,625,000	–	–
Bobby Chin Yoke Choong The Company – ordinary shares	131,000	131,000	–	–
<u>Related corporation</u> Kingdom Investment Holdings Pte. Ltd. – ordinary shares	975,000	975,000	–	–

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

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

There were no changes in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 January 2022.

DIRECTORS’
STATEMENT

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS’ CONTRACTUAL BENEFITS

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

Except for salaries, bonuses and fees and those benefits that are disclosed in this statement and in Note 31 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or its related corporations with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT & RISK COMMITTEE

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

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

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

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

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

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

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

DIRECTORS’
STATEMENT

AUDITORS

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

On behalf of the Board of Directors

Chua Thian Poh
Director

Nicholas Chua
Director

9 March 2022

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ho Bee Land Limited (‘the Company’) and its subsidiaries (‘the Group’), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 91 to 167.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (‘the Act’) and Singapore Financial Reporting Standards (International) (‘SFRS(I)s’) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

VALUATION OF INVESTMENT PROPERTIES (S\$4,953 MILLION)
(Refer to Notes 5 & 37 to the financial statements)

The key audit matter	How the matter was addressed in our audit
The Group owns a portfolio of investment properties in Singapore and the United Kingdom. Investment properties represent the single largest asset category on the Group’s consolidated statement of financial position. These properties are stated at fair values based on independent external valuations. The valuation of investment properties requires significant judgement to be made in the determination of the appropriate valuation methodologies and the underlying assumptions to be applied. Changes to these valuation methodologies and assumptions used may have a significant impact to the valuations of investment properties. Certain valuation reports obtained from the external valuers have highlighted the estimation uncertainty arising from the COVID-19 pandemic, and consequently, less certainty, and a higher degree of caution should be attached to their valuations than would normally be the case. As the valuations were based on the information available as at the date of the valuations, the external valuers have also recommended to keep the valuation of these properties under frequent review as the fair values may change significantly and unexpectedly over a short period of time.	As part of our audit procedures, we have: • Evaluated the competency and objectivity of the independent external valuers. • Held discussions with the valuers to understand their valuation methodologies, assumptions and basis used. • Assessed the appropriateness of the valuation methodologies and assumptions used by the independent external valuers, and compared the assumptions and parameters used to externally derived data. Where appropriate, we also involved our in-house valuation specialists to assist us in the assessment. • Held discussion with the valuers to understand how they have considered the implications of COVID-19 and market uncertainty in their valuations. • Ascertained that the changes in fair value of investment properties are appropriately recognised in the consolidated income statement. <u>Findings:</u> The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. We found the valuation methodologies used are in line with generally accepted market practices and the key assumptions used to be within a reasonable range of our expectations. They are comparable to market trends and externally derived data. The changes in fair value of investment properties are appropriately recognised in the Group’s financial statements.

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

VALUATION OF DEVELOPMENT PROPERTIES (\$\$322 MILLION)
(Refer to Note 14 to the financial statements)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
The Group holds a number of development projects in Australia, and completed properties in both Singapore and the United Kingdom. In addition, the Group has interests in development projects in Singapore and China held by associates and jointly-controlled entities of which the Group’s share is included in the carrying value of investments in associates and jointly-controlled entities presented in the Group’s consolidated statement of financial position. The carrying value of development properties are stated at the lower of cost and estimated net realisable value (“NRV”). The determination of the estimated NRV is critically dependent upon the Group’s expectations of future selling prices and costs to be incurred in selling the property. Changes to these estimates can result in material changes in the carrying value of the properties. The risk of unforeseen losses on disposal of these properties is increased especially in times when the global economic outlook is uncertain and with the new cooling measures introduced in Singapore’s residential property market.	As part of our audit procedures, we have: • Held discussions with management to obtain an understanding of the macroeconomic and real estate price trends that have been considered in their NRV assessment. • Assessed the reasonableness of management’s NRV by comparing the expected selling prices against the recent transacted sales prices of the same project and/or comparable properties sold in the vicinity of the Group’s development properties, as well as market research reports. • Compared the NRV against the development cost of the development property and assessed whether a write down is required. • For development projects held by the Group’s associates and jointly-controlled entities in China, we reviewed the working papers of the component auditors and ascertained that the above procedures have been performed. <u>Findings:</u> In making its estimates of the expected selling prices and costs to be incurred in selling the property, management considered the macroeconomic and real estate price trends for the markets in which the properties are located. We found the estimates made by the management in the determination of NRVs to be within the range of observable price trends in the market.

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

SHARE OF PROFITS OF ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES IN CHINA (\$\$88 MILLION)
(Refer to Notes 8 & 9 to the financial statements)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
The Group has interests in development projects in China held by its associates and jointly-controlled entities. The Group accounts for these associates and jointly-controlled entities using the equity method. Revenue from sale of development properties in associates and jointly-controlled entities were significant for the year ended 31 December 2021. In addition, significant judgement and estimates were made by management in the valuation of the development properties, accrual of project costs and related tax provisions. Incorrect revenue recognition and changes to the aforementioned estimates made by management could result in material impact to the Group’s share of results of associates and jointly-controlled entities for the year.	As part of our audit procedures, we have: • Planned and communicated group audit instructions to the Component Auditors which include audit procedures relating to revenue recognition and areas of significant judgement and estimates. • Obtained audit clearance from the Component Auditors, and reviewed their working papers. • Checked the accuracy of management’s calculation of the Group’s share of profits of associates and jointly-controlled entities and ascertained that they are appropriately accounted for by the Group. <u>Findings:</u> We obtained the audit clearance from the Component Auditors. The revenue recognition policy adopted by these associates and jointly-controlled entities is consistent with the Group’s accounting policy. With respect to the valuation of development properties, accrual of project costs and related tax provisions, we found the estimates applied by management to be within a reasonable range of expectations. The Group’s share of profits of associates and jointly-controlled entities has been appropriately accounted for in its consolidated income statement using the equity method.

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Other information

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

- Words from the Executive Chairman
- Directors’ Statement

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

- Corporate Profile
- Performance at a Glance
- Board of Directors
- Management Team
- New Development Properties
- New Acquisition
- Project Update
- Corporate Structure
- Sustainability Report
- Corporate Governance
- Additional Information
- Shareholding Statistics
- Notice of Annual General Meeting
- Proxy Form
- Corporate Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of management and directors for the financial statements

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

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

The directors’ responsibilities include overseeing the Group’s financial reporting process.

INDEPENDENT AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Auditors’ responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT
AUDITORS’ REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditors’ report is Shelley Chan Hoi Yi.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 March 2022

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets					
Property, plant and equipment	4	44,508	43,526	2,654	3,494
Investment properties	5	4,952,993	4,629,845	–	–
Deposit for land premium	6	–	55,900	–	–
Subsidiaries	7	–	–	181,637	181,535
Associates	8	369,545	414,050	129,997	233,270
Jointly-controlled entities	9	395,501	315,011	252,688	231,266
Other assets	10	150	150	–	–
Financial assets	11	231,358	174,508	225,833	174,086
Other receivables	12	176,152	252,528	1,178,604	1,063,780
Deferred tax assets	13	142	112	–	–
		6,170,349	5,885,630	1,971,413	1,887,431
Current assets					
Development properties	14(i)	322,147	267,458	–	–
Deposits for land premium paid for development properties	14(ii)	56,899	6,841	–	–
Trade and other receivables	15	67,507	47,590	19,060	17,053
Cash and cash equivalents	16	123,415	118,739	56,249	47,712
		569,968	440,628	75,309	64,765
Total assets		6,740,317	6,326,258	2,046,722	1,952,196
Equity attributable to equity holders of the Company					
Share capital	17	156,048	156,048	156,048	156,048
Reserves	18	3,773,269	3,468,081	1,838,309	1,726,785
		3,929,317	3,624,129	1,994,357	1,882,833
Non-controlling interests		20,334	16,541	–	–
Total equity		3,949,651	3,640,670	1,994,357	1,882,833
Non-current liabilities					
Loans and borrowings	19	1,802,721	1,995,634	972	2,113
Other liabilities	20	29,976	32,295	–	–
Deferred income	21	42,683	44,594	–	–
Deferred tax liabilities	13	26,099	19,053	–	–
		1,901,479	2,091,576	972	2,113
Current liabilities					
Trade and other payables, including derivatives	22	91,755	90,385	16,632	31,546
Loans and borrowings	19	743,038	433,901	34,500	34,460
Deferred income	21	1,671	1,671	–	–
Current tax payable		52,723	68,055	261	1,244
		889,187	594,012	51,393	67,250
Total liabilities		2,790,666	2,685,588	52,365	69,363
Total equity and liabilities		6,740,317	6,326,258	2,046,722	1,952,196

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

CONSOLIDATED
INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Revenue	23	347,693	215,681
Other income	24	40,197	3,875
Fair value gain/(loss) on investment properties	5	53,106	(32,792)
Cost of sales – residential development projects		(104,316)	(1,530)
Direct rental expenses		(18,351)	(16,094)
(Loss)/gain on foreign exchange		(5,764)	15,547
Staff costs & directors' remuneration		(21,098)	(17,748)
Other operating expenses		(9,625)	(8,861)
Profit from operating activities		281,842	158,078
Net finance costs	26	(39,789)	(42,835)
Share of profits, net of tax, of:			
– associates	8	44,217	53,203
– jointly-controlled entities	9	71,308	2,238
Profit before income tax		357,578	170,684
Income tax expense	27	(17,569)	(29,029)
Profit for the year	28	340,009	141,655
Profit attributable to:			
Owners of the Company		330,512	137,065
Non-controlling interests		9,497	4,590
Profit for the year		340,009	141,655
Earnings per share			
Basic earnings per share (cents)	29	49.77	20.62
Diluted earnings per share (cents)	29	49.77	20.62

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

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	2021 \$'000	2020 \$'000
Profit for the year	340,009	141,655
Items that are or may be reclassified subsequently to profit or loss:		
Effective portion of changes in fair value of cash flow hedges	18,657	(18,270)
Foreign currency translation differences relating to foreign operations	6,213	7,613
Net gain on hedges of net investment in foreign operations	1,628	2,696
Share of foreign currency translation differences of equity-accounted investees	15,276	23,236
Total other comprehensive income for the year, net of income tax	41,774	15,275
Total comprehensive income for the year	381,783	156,930
Attributable to:		
Owners of the Company	371,590	152,715
Non-controlling interests	10,193	4,215
Total comprehensive income for the year	381,783	156,930

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company								Total equity \$'000
	Share capital \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	
Group									
At 1 January 2020	156,048	(65,079)	791	(15,230)	(48,645)	3,512,769	3,540,654	12,476	3,553,130
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	137,065	137,065	4,590	141,655
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedges	–	–	–	(18,270)	–	–	(18,270)	–	(18,270)
Foreign currency translation differences relating to foreign operations	–	–	–	–	7,988	–	7,988	(375)	7,613
Net gain on hedge of net investment in foreign operations	–	–	–	–	2,696	–	2,696	–	2,696
Share of foreign currency translation differences of equity-accounted investees	–	–	–	–	23,236	–	23,236	–	23,236
Total other comprehensive income	–	–	–	(18,270)	33,920	–	15,650	(375)	15,275
Total comprehensive income for the year	–	–	–	(18,270)	33,920	137,065	152,715	4,215	156,930
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	–	(150)	(150)
Final tax-exempt dividend paid of 8 cents and special dividend of 2 cents per share in respect of 2019	–	–	–	–	–	(66,523)	(66,523)	–	(66,523)
Purchase of treasury shares	–	(2,717)	–	–	–	–	(2,717)	–	(2,717)
Total distributions to owners of the Company	–	(2,717)	–	–	–	(66,523)	(69,240)	(150)	(69,390)
At 31 December 2020	156,048	(67,796)	791	(33,500)	(14,725)	3,583,311	3,624,129	16,541	3,640,670

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Profit for the year		340,009	141,655
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	4	1,045	776
Write down to net realisable value of properties held for sale	14	–	536
Loss on disposal of property, plant and equipment		64	–
Net impairment loss on trade receivables		273	584
Unrealised exchange loss/(gain)		6,774	(12,225)
Interest income	26	(1,965)	(2,149)
Dividend income from investment designated at FVTPL	24	(119)	(13)
Realised gains from financial assets designated at FVTPL	24	(67)	(113)
Finance costs	26	41,754	44,984
Net changes in fair value of investment properties	5	(53,106)	32,792
Net changes in fair value of financial assets designated at FVTPL		(37,726)	66
Share of profits of:			
– associates		(44,217)	(53,203)
– jointly-controlled entities		(71,308)	(2,238)
Income tax expense		17,569	29,029
		198,980	180,481
Changes in:			
Development properties		(58,949)	(34,407)
Trade and other receivables		(50,441)	(23,372)
Trade and other payables		15,329	5,853
Cash generated from operations		104,919	128,555
Income taxes paid		(50,756)	(18,704)
Net cash generated from operating activities carried forward		54,163	109,851

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Net cash generated from operating activities brought forward		54,163	109,851
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(2,318)	(9,085)
Proceeds from sale of property, plant and equipment		157	14
Interest received		707	2,149
Dividends received from:			
– investment designated at FVTPL		119	13
– equity-accounted investee		–	21,536
Investment in jointly-controlled entities		(10,355)	(1,298)
Investment in associates		(3,101)	–
Distribution from associate (capital reduction)		110,689	78,887
Repayment from jointly-controlled entities (non-trade)		77,709	4,335
Additions to investment properties		(184,482)	(12,591)
Deposit for land premium	6	–	(55,900)
Purchase of financial assets designated at FVTPL		(32,550)	(59,977)
Redemption of financial assets designated at FVTPL		1,602	–
Distributions from financial assets designated at FVTPL		170	232
Net cash used in investing activities		(41,653)	(31,685)
Cash flows from financing activities			
Proceeds from bank loans		398,208	182,009
Repayment of bank loans		(291,664)	(220,424)
Payment of lease liability		(48)	(7)
Interest paid		(41,754)	(44,984)
Purchase of treasury shares		–	(2,717)
Dividends paid		(66,402)	(66,523)
Dividend paid to non-controlling shareholder		(6,400)	(150)
Net cash used in financing activities		(8,060)	(152,796)
Net increase/(decrease) in cash and cash equivalents		4,450	(74,630)
Cash and cash equivalents at 1 January		118,739	191,378
Effect of exchange rate fluctuations on cash held		226	1,991
Cash and cash equivalents at 31 December	16	123,415	118,739

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 9 March 2022.

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in associates and jointly-controlled entities.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

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

The consolidated financial statements have been prepared on a going concern basis notwithstanding that as at 31 December 2021, the Group’s total current liabilities exceeded its total current assets by \$319,219,000 (2020: \$153,384,000). The Group expects to refinance \$459,603,000 (2020: \$387,000,000) of its short-term borrowings in 2022 and is confident that the refinancing of the facilities will occur as required. Coupled with the undrawn revolving credit facility available to the Group (refer to Note 34), the estimated positive cash flows from the Group’s operations and the expected capital distribution from two of the Group’s associates in China, management assessed that the Group will be able to meet its obligations that are due within the next 12 months.

2.3 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

- Note 2.2 Management’s use of the going concern basis for accounting
- Notes 5 and 37 Valuation of investment properties
- Note 13 and 27 Estimation of provisions for current and deferred taxation
- Note 14 Measurement of realisable amounts of development properties
- Note 35 Estimation of credit loss allowance on trade and other receivables
- Note 35 Valuation of financial instrument

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This framework includes a finance team that reports directly to the Finance Director, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

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

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

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

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

- Note 35 – valuation of financial instruments
- Note 37 – determination of fair values

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

The Group applied the interest rate benchmark reform Phase 2 amendments “IBOR Phase 2” retrospectively. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there was no impact on opening equity balances as a result of retrospective application. The IBOR Phase 2 amendments seek to provide practical relief from certain requirements in SFRS(I) Standards, and these reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

In 2021, the Group replaced all of its floating-rate liabilities indexed to Sterling London Inter-Bank Offered Rate (“LIBOR”) with the Sterling Overnight Interbank Average Rate (“SONIA”), and a floating-rate liability indexed to the Singapore swap offered rates (“SOR”) to the Singapore Overnight Rate Average (“SORA”). The effective interest rates of these financial liabilities were updated to reflect the change as a result of the reform.

As at 31 December 2021, the Group’s remaining IBOR exposures included certain secured bank loans indexed to the Singapore swap offered rates (“SOR”). The Group holds interest rate swaps for risk management purposes, and the interest rate swaps have floating legs that are indexed to SOR. The Group is still in discussion with the counterparties for its remaining SOR indexed exposures and specific changes have yet been agreed. The Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to these hedging relationships directly affected by the interest rate benchmark reform. Refer to Note 34 – financial risk management for more details on the total unreformed contracts, and discussion on how the Group is managing the associated risks.

Other than the above, the application of these amendments to standards and interpretations did not have a material effect on the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

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

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

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

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

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.1 **Basis of consolidation (cont'd)**

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

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

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

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

(v) ***Joint operations***

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

(vi) ***Transactions eliminated on consolidation***

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

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

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

3.2 **Foreign currency**

(i) ***Foreign currency transactions***

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.2 **Foreign currency (cont'd)**

(i) ***Foreign currency transactions (cont'd)***

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

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

(ii) ***Foreign operations***

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

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(iii) ***Net investment in a foreign operation***

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

(iv) ***Hedge of a net investment in foreign operation***

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.3 **Financial instruments**

(i) ***Recognition and initial measurement***

Non-derivative financial assets and financial liabilities

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

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

(ii) ***Classification and subsequent measurement***

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Equity investments at FVOCI

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

Financial assets at FVTPL

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.3 **Financial instruments (cont'd)**

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investment at FVOCI

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

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

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

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

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

(vi) Derivative financial instruments and hedge accounting

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Hedges directly affected by interest rate benchmark reform

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

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

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

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

Cash flow hedges

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Cash flow hedges (cont'd)

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

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

Net investment hedges

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

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

(vii) *Share capital*

Ordinary shares

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

Repurchase, disposal and reissue of share capital (treasury shares)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(viii) *Intra-group financial guarantees in the separate financial statements*

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

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

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

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

3.4 Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Goodwill

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

Subsequent measurement

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

3.6 Investment properties

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

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

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

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

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

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

3.7 Leases

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

As a lessee

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.7 **Leases (cont'd)**

As a lessee (cont'd)

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.7 **Leases (cont'd)**

As a lessor (cont'd)

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

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

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

3.8 **Impairment**

(i) ***Non-derivative financial assets***

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

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.8 **Impairment (cont'd)**

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

General approach (cont'd)

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

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

Write-off

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.8 **Impairment (cont'd)**

(ii) ***Non-financial assets***

The carrying amounts of the Group's non-financial assets, other than investment properties, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

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

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

3.9 **Development properties**

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Contract costs

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

3.11 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

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

Loans to subsidiaries and associate

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

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

3.13 Revenue recognition

Sale of development properties in Singapore and overseas

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

Rental income

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

Dividend income

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

Interest income

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

Management fee income

The Group recognises income after the services are rendered.

3.14 Government grants

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

3.15 Finance income and finance costs

The Group’s finance income and finance costs include:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax

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

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

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

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

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

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

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

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

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

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

3.17 Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Segment reporting

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

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

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

3.19 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The new SFRS(I)s, amendments to and interpretations of SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

The Group plans to apply the amendments from 1 January 2022. Management has assessed that the application is not expected to impact amounts reported for 2021 or prior periods.

Applicable to 2022 financial statements

- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018-2020*

Applicable to 2023 financial statements

- SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold property \$'000	Right-of-use asset – office premise \$'000	Leasehold improvements \$'000	Paintings and sculptures \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Total \$'000
Group							
Cost							
At 1 January 2020	1,657	–	1,508	30,663	5,845	2,168	41,841
Additions	–	184	–	8,617	468	–	9,269
Disposals	–	–	–	–	(26)	–	(26)
Effects of movements in exchange rate	132	9	18	(5)	76	19	249
At 31 December 2020	1,789	193	1,526	39,275	6,363	2,187	51,333
Additions	–	339	–	812	619	548	2,318
Disposals	–	–	–	–	(762)	(455)	(1,217)
Effects of movements in exchange rate	(67)	(11)	10	–	(26)	(5)	(99)
At 31 December 2021	1,722	521	1,536	40,087	6,194	2,275	52,335
Accumulated depreciation and impairment losses							
At 1 January 2020	265	–	823	–	5,027	849	6,964
Depreciation charge for the year	33	8	89	–	392	254	776
Disposals	–	–	–	–	(12)	–	(12)
Effects of movements in exchange rate	23	–	5	–	44	7	79
At 31 December 2020	321	8	917	–	5,451	1,110	7,807
Depreciation charge for the year	35	100	92	–	485	333	1,045
Disposals	–	–	–	–	(682)	(314)	(996)
Effects of movements in exchange rate	(13)	(2)	3	–	(16)	(1)	(29)
At 31 December 2021	343	106	1,012	–	5,238	1,128	7,827
Carrying amounts							
At 1 January 2020	1,392	–	685	30,663	818	1,319	34,877
At 31 December 2020	1,468	185	609	39,275	912	1,077	43,526
At 31 December 2021	1,379	415	524	40,087	956	1,147	44,508

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Right-of-use asset – office premise \$'000	Furniture, fittings and office equipment \$'000	Motor vehicles \$'000	Paintings \$'000	Total \$'000
Company					
Cost					
At 1 January 2020	5,368	3,639	694	3	9,704
Additions	–	21	–	–	21
At 31 December 2020	5,368	3,660	694	3	9,725
Additions	–	20	490	–	510
Disposals	–	(97)	(455)	–	(552)
At 31 December 2021	5,368	3,583	729	3	9,683
Accumulated depreciation and impairment losses					
At 1 January 2020	1,111	3,481	443	–	5,035
Depreciation charge for the year	1,111	52	33	–	1,196
At 31 December 2020	2,222	3,533	476	–	6,231
Depreciation charge for the year	1,111	47	52	–	1,210
Disposals	–	(97)	(315)	–	(412)
At 31 December 2021	3,333	3,483	213	–	7,029
Carrying amounts					
At 1 January 2020	4,257	158	251	3	4,669
At 31 December 2020	3,146	127	218	3	3,494
At 31 December 2021	2,035	100	516	3	2,654

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

5. INVESTMENT PROPERTIES

	Note	Group 2021 \$'000	2020 \$'000
Freehold properties			
At 1 January		2,448,639	2,417,394
Changes in fair value		33,874	(16,830)
Movements in exchange rates		28,707	48,075
At 31 December		2,511,220	2,448,639
Leasehold properties			
At 1 January		2,181,206	2,182,972
Additions/capital expenditure		184,482	12,591
Reclassification from deposit for land premium	6	55,900	–
Changes in fair value		19,232	(15,962)
Movements in exchange rates		953	1,605
At 31 December		2,441,773	2,181,206
Total investment properties		4,952,993	4,629,845
Comprising:			
– Completed investment properties		4,705,918	4,617,254
– Investment properties under development		247,075	12,591
		4,952,993	4,629,845

Investment properties comprise a number of commercial properties that are leased to third party customers and those under development. Each of the leases contains an initial non-cancellable period of 1 to 15 years. Subsequent renewals are negotiated with the lessees. During the year, contingent rent of \$287,579 (2020: \$219,572) was charged and recognised as rental income in profit or loss.

Certain investment properties with carrying value amounting to \$4,810,895,000 (2020: \$4,474,837,000) have been pledged to secure banking facilities granted to the Group (see Note 19).

During the year, interest expense on bank borrowings capitalised as cost of investment properties amounted to \$1,609,000 (2020: Nil).

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

The independent valuers have considered available information as at 31 December 2021 relating to COVID-19 and have made necessary adjustments due to the COVID-19 pandemic to the valuation, where applicable. Certain valuation reports from the independent valuers have highlighted that given the unprecedented set of circumstances on which to base their judgement, less certainty and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the independent valuers have recommended to keep the valuation of these properties under frequent review. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of market conditions as at 31 December 2021.

In 2021, the Group recognised a fair value gain of \$53,106,000 (2020: loss of \$32,792,000) on its investment properties. See Note 37 – Determination of fair values for disclosure on the valuation techniques used by the independent valuers.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6. DEPOSIT FOR LAND PREMIUM

The deposit for land premium of \$55,900,000 as at 31 December 2020 pertains to the progressive payment made for the acquisition of the Biopolis Phase 6 land parcel located at Buona Vista, Singapore. The site was awarded to the Group’s subsidiary, HB Universal Pte Ltd, in March 2020.

Following the payment of the balance of land premium and assumption of the land title, the Group reclassified the deposit for land premium to investment properties in the current year (see Note 5).

7 SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Equity investments, at cost	186,628	186,526
Discount implicit in interest-free loans to subsidiaries	2,161	2,161
Impairment loss	(7,152)	(7,152)
	181,637	181,535

Impairment loss

During the year, no impairment loss was recognised (2020: impairment loss of \$515,000) on its investment in subsidiaries, taking into consideration the carrying values of the underlying assets held by the subsidiaries.

Details of the significant subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group	
		2021 %	2020 %
HB Australia Pty Ltd [#]	Australia	100	100
HB Ferny Pty Ltd [#]	Australia	100	100
HB Oracle Pty Ltd [#]	Australia	100	100
HB Doncaster Pty Ltd [#]	Australia	100	100
HB Land Pty Ltd [#]	Australia	100	100
HB VIC Pty Ltd [#]	Australia	100	100
HB QLD Pty Ltd [#]	Australia	100	100
Stream Field Investments Limited [#]	British Virgin Islands	100	100
Ho Bee Developments Pte Ltd	Singapore	100	100
Ho Bee Realty Pte Ltd	Singapore	100	100
Ho Bee (One North) Pte. Ltd.	Singapore	100	100
Ho Bee Cove Pte. Ltd.	Singapore	90	90
HB Investments (China) Pte. Ltd.	Singapore	80	80
HB Le Grand Pte Ltd	Singapore	100	100
HB St Martins Pte Ltd	Singapore	100	100
HB Victoria Pte Ltd	Singapore	100	100
HB Mayfair Pte Ltd	Singapore	100	100
HB Croydon Pte Ltd	Singapore	100	100
HB Universal Pte Ltd	Singapore	100	100
Grandeur Property Investments Ltd [#]	British Virgin Islands	100	100

[#] Not required to be audited under the laws in the country of incorporation

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8 ASSOCIATES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interests in associates	369,545	414,050	129,997	233,270

The Group has three associates (2020: two) which are equity-accounted for. Two (2020: two) of the associates are material to the Group, and their details are as follows:

	Shanghai Yanlord Hongqiao Property Co., Ltd (Shanghai Yanlord Hongqiao) ¹	Zhuhai Yanlord Heyou Land Co., Ltd (Zhuhai Yanlord Heyou) ²
Nature of relationship with the Group	Strategic property developer providing access to residential development projects in China	Strategic property developer providing access to residential development projects in China
Principal place of business/ country of incorporation	China	China
Ownership interest/voting rights held	40% (2020: 40%)	20% (2020: 20%)

¹ Audited by 上海中惠会计师事务所, a CPA firm, China
² Audited by 珠海德鸿会计师事务所有限公司, a CPA firm, China

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

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

¹ Includes group adjustment to record allowances for foreseeable losses on development projects of \$10,000,000 in 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8 ASSOCIATES (CONT'D)

	Shanghai Yanlord Hongqiao \$'000	Zhuhai Yanlord Heyou \$'000	Total \$'000
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31 December 2020

Revenue	31,933	553,063	
Profit from continuing operations	72,065	171,888	
Total comprehensive income	72,065	171,888	
Attributable to investee’s shareholders	72,065	171,888	

Non-current assets	637	200,451	
Current assets	896,784	745,103	
Non-current liabilities	–	(911)	
Current liabilities	(151,127)	(316,981)	
Net assets	746,294	627,662	
Attributable to investee’s shareholders	746,294	627,662	

Group’s interest in net assets of investee at beginning of the year	334,467	107,289	441,756
Group’s share of profit from continuing operations	28,826	34,377	63,203
Group’s adjustment: allowance for foreseeable losses on development project	–	(10,000)	(10,000)
Adjusted Group’s share of profit	28,826	24,377	53,203
Dividends received during the year	–	(21,536)	(21,536)
Capital reduction with no change in effective shareholding	(81,268)	–	(81,268)
Foreign currency translation differences	16,493	5,402	21,895
Carrying amount of interest in investee at end of the year	298,518	115,532	414,050

9 JOINTLY-CONTROLLED ENTITIES

The Group has three (2020: three) jointly-controlled entities that are material and five (2020: four) jointly-controlled entities that are individually immaterial to the Group.

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interests in jointly-controlled entities	395,501	315,011	378,185	378,185
Impairment loss	–	–	(125,497)	(146,919)
	395,501	315,011	252,688	231,266

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

9 JOINTLY-CONTROLLED ENTITIES (CONT'D)

Company

The cumulative impairment loss as at 31 December 2021 is \$125,497,000 (2020: \$146,919,000).

During the year, a writeback of impairment loss of \$21,422,000 (2020: impairment loss of \$22,429,000) was made against the Company's investment in its jointly-controlled entity, Pinnacle (Sentosa) Pte Ltd. The Group obtained an external valuation of its development project as at 31 December 2021 which indicated an increase in the estimated selling price of the property. Coupled with management's expectations of the estimated selling expenses, a net writeback of impairment loss was made in the year.

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

	Company	
	2021	2020
	\$'000	\$'000
At 1 January	146,919	124,490
(Writeback of impairment loss)/impairment loss for the year	(21,422)	22,429
At 31 December	125,497	146,919

The following are the material jointly-controlled entities:

	Seaview (Sentosa) Pte Ltd (Seaview) ¹	Pinnacle (Sentosa) Pte Ltd (Pinnacle) ¹	Yanlord Ho Bee Investments Pte Ltd (Yanlord Ho Bee) ²
Nature of relationship with the Group	Strategic partner providing high end residential properties in Sentosa	Strategic partner providing high end residential properties in Sentosa	Strategic partner providing high end residential properties in China
Principal place of business/ country of incorporation	Singapore	Singapore	Singapore
Ownership interest/voting rights held	50% (2020: 50%)	35% (2020: 35%)	50% (2020: 50%)

¹ Audited by KPMG LLP, Singapore

² Audited by Deloitte & Touche LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

9 JOINTLY-CONTROLLED ENTITIES (CONT'D)

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

	Seaview \$'000	Pinnacle \$'000	Yanlord Ho Bee \$'000	Immaterial jointly- controlled entities \$'000	Total \$'000
31 December 2021					
Revenue	65,332	31,177	352,997		
Profit from continuing operations	12,961	12,414	98,594		
Total comprehensive income	12,961	12,414	98,594		
Attributable to investee's shareholders	12,961	12,414	98,594		
Non-current assets	–	1,548	915		
Current assets	412,124	1,204,396	252,095		
Non-current liabilities	–	(382,200)	(72,882)		
Current liabilities	(293,963)	(152,357)	(53,584)		
Net assets	118,161	671,387	126,544		
Attributable to investee's shareholders	118,161	671,387	126,544		
Group's interest in net assets of investee at beginning of the year					
	53,056	224,501	12,066 ¹	25,388	315,011
Group's share of profit/(loss) from continuing operations	6,481	4,345	49,297	(312)	59,811
Group's adjustment: Writeback of allowance/ (allowance) for foreseeable losses on development projects	–	17,203	(5,706)	–	11,497
Adjusted Group's share of profit/(loss)	6,481	21,548	43,591	(312)	71,308
Intra-group eliminations ²	(1,483)	(126)	–	(290)	(1,899)
Group's capital contribution during the year	–	–	–	10,355	10,355
Foreign currency translation differences	–	–	1,911	(1,185)	726
Carrying amount of interest in investee at end of the year	58,054³	245,923³	57,568	33,956	395,501

¹ Excludes the non-trade amount owing from Yanlord Ho Bee, which represents the Group's long-term interest in the jointly-controlled entity (see Note 12(ii)).

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

9 JOINTLY-CONTROLLED ENTITIES (CONT'D)

	Seaview \$'000	Pinnacle \$'000	Yanlord Ho Bee \$'000	Immaterial jointly- controlled entities \$'000	Total \$'000
31 December 2020					
Revenue	19,766	28,151	206,267		
Profit from continuing operations	5,895	9,573	44,549		
Other comprehensive income	–	(174)	–		
Total comprehensive income	5,895	9,399	44,549		
Attributable to investee's shareholders	5,895	9,399	44,549		
Non-current assets	–	1,549	16,301		
Current assets	459,545	1,278,698	560,279		
Non-current liabilities	–	(540,000)	(149,150)		
Current liabilities	(351,079)	(6,914)	(403,298)		
Net assets	108,466	733,333	24,132		
Attributable to investee's shareholders	108,466	733,333	24,132		
Group's interest in net assets of investee at beginning of the year	51,261	247,237	(9,685)¹	22,971	311,784
Group's share of profit/(loss) from continuing operations	2,948	3,351	22,274	(435)	28,138
Group's adjustment: additional allowance for foreseeable losses on development project	–	(25,900)	–	–	(25,900)
Adjusted Group's share of profit/(loss)	2,948	(22,549)	22,274	(435)	2,238
Group's share of OCI	–	(61)	–	–	(61)
Total comprehensive income	2,948	(22,610)	22,274	(435)	2,177
Intra-group eliminations ²	(1,153)	(126)	–	(310)	(1,589)
Group's capital contribution during the year	–	–	–	1,298	1,298
Foreign currency translation differences	–	–	(523)	1,864	1,341
Carrying amount of interest in investee at end of the year	53,056³	224,501³	12,066	25,388	315,011

¹ Excludes the non-trade amount owing from Yanlord Ho Bee, which represents the Group's long-term interest in the jointly-controlled entity (see Note 12(ii)).

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

³ Includes elimination of shareholder loan interest capitalised as part of development properties of \$1,177,000 for Seaview and \$6,266,000 for Pinnacle.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

10 OTHER ASSETS

	Group 2021 \$'000	2020 \$'000
At cost		
Club membership	150	150

11 FINANCIAL ASSETS

	Note	Group 2021 \$'000	2020 \$'000	Company 2021 \$'000	2020 \$'000
Non-current					
Investments designated at FVTPL:					
– Quoted equity securities		5,221	–	–	–
– Private equity funds		226	345	–	–
– European property fund		42,314	41,212	42,314	41,212
Investments mandatorily at FVTPL:					
– Debt instruments – subscription of notes	(i)	183,519	132,874	183,519	132,874
Investments designated at FVOCI:					
– Unquoted equity securities		78	77	–	–
		231,358	174,508	225,833	174,086

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

Refer to Note 35 – estimation of fair values for financial assets and valuation processes applied by the Group for these investments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

12 OTHER RECEIVABLES

Note	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current assets				
Other receivables	58	682	–	–
Prepayments	686	5,487	–	–
	744	6,169	–	–
Amounts due from subsidiaries (non-trade)				
– interest bearing	(i) –	–	577,628	397,676
– non-interest bearing	(ii) –	–	458,299	492,471
	–	–	1,035,927	890,147
Amounts due from jointly-controlled entities (non-trade)				
– interest bearing	(i) 142,678	173,633	142,677	173,633
– non-interest bearing	(ii) 32,730	72,726	–	–
	175,408	246,359	142,677	173,633
	176,152	252,528	1,178,604	1,063,780

- (i)

Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 1.25% to 4.00% (2020: 1.25% to 4.00%) and 1.50% to 2.00% (2020: 1.00% to 1.50%) per annum, respectively.
- (ii)

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

13 DEFERRED TAX

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

	At 1 January 2020 \$'000	Recognised in income statement (Note 27) \$'000	Exchange differences \$'000	At 31 December 2020 \$'000	Recognised in income statement (Note 27) \$'000	Exchange differences \$'000	At 31 December 2021 \$'000
Group							
Deferred tax liabilities							
Investment properties	17,011	389	244	17,644	6,133	100	23,877
Development properties	617	713	79	1,409	824	(68)	2,165
Others	–	–	–	–	61	(4)	57
	17,628	1,102	323	19,053	7,018	28	26,099
Deferred tax assets							
Tax losses	–	107	5	112	33	(3)	142

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

14 (I) DEVELOPMENT PROPERTIES

	Group	
	2021 \$'000	2020 \$'000
Properties for which revenue is to be recognised at a point in time		
Properties held for sale	126,141	200,404
Properties under development	196,557	67,599
	322,698	268,003
Allowance for foreseeable losses	(551)	(545)
Total development properties	322,147	267,458

During the year, development properties of \$98,070,000 (2020: \$583,000) were recognised as cost of sales and included in ‘cost of sales – residential development projects’.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2021 \$'000	2020 \$'000
At 1 January	(545)	–
Allowance made	–	(536)
Movement in exchange difference	(6)	(9)
At 31 December	(551)	(545)

The Group’s development properties are carried at lower of cost and net realisable value. The determination of net realisable value requires judgement and estimate by management. The Group estimates the level of allowance for foreseeable losses based on the prevailing selling prices of the development properties or similar development properties within the vicinity at the reporting date, and costs to be incurred in selling the property. In the absence of current prices in an active market, valuations were obtained from an independent property valuer. Where necessary, allowance for foreseeable losses would be recorded as a result of deterioration in the estimated market values for development properties.

During the year, the Group has reviewed the allowance for foreseeable losses to record the properties at net realisable values and assessed that no further allowance (2020: \$536,000) was required to be made.

Certain development properties with carrying value amounting to \$30,325,000 (2020: \$175,501,000) were pledged to secure banking facilities granted to the Group (see Note 19).

14 (II) DEPOSITS FOR LAND PREMIUM PAID FOR DEVELOPMENT PROPERTIES

Deposits for land premium pertains to the deposits paid to third parties for the acquisition of several residential development sites in Australia during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables	12,715	20,381	–	–
Accrued rent receivables	4,108	4,938	–	–
Impairment losses	(871)	(593)	–	–
Net receivables	15,952	24,726	–	–
Other deposits	1,266	2,734	126	1
Amounts due from:				
– subsidiaries (non-trade)				
– interest bearing	–	–	12,827	12,024
– non-interest bearing	–	–	5,907	4,919
– jointly-controlled entities (non-trade)				
– interest bearing	8,059	10,347	–	–
– non-interest bearing	25	17	25	–
Other receivables	13,525	6,063	116	55
	38,827	43,887	19,001	16,999
GST recoverable	809	446	–	–
Prepayments	2,334	3,257	59	54
Tax recoverable	25,537	–	–	–
	67,507	47,590	19,060	17,053

Amounts due from subsidiaries and jointly-controlled entities are unsecured and repayable within the next 12 months. These balances are amounts lent to subsidiaries and jointly-controlled entities to meet their short-term funding requirements. Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 1.25% to 4.00% (2020: 1.25% to 4.00%) and 7.50% (2020: 7.50%) per annum, respectively.

Included in other receivables is an amount of \$8,982,000 (2020: \$850,000) pertaining to sales deposits receivables from appointed solicitors, currently held in trust accounts, for overseas development properties which had pre-sales during the year.

In December 2021, the Group received a favorable tax judgement from the Income Tax Board of Review to discharge the previous tax assessment in respect of gains arising from the disposal of four properties. Accordingly, the Group reversed the over provision of tax expense in prior years (see Note 27) and recognised a tax recoverable (receivable) of the same amount as at 31 December 2021. Subsequent to the year end and as at date of this audit report, the full amount of tax recoverable has been received from IRAS.

The measurement of expected credit loss on trade and other receivables involves management’s estimate of the credit risk of the financial instruments and reflects the Group’s assessment of economic conditions and possible default events over the expected lives of these receivables. Refer to Note 35 for the Group’s assessment on credit risk exposure and determination of expected credit loss (ECL).

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	78,676	90,425	14,532	47,712
Fixed deposits	44,739	28,314	41,717	–
	123,415	118,739	56,249	47,712

The weighted average effective interest rates relating to fixed deposits at the balance sheet date for the Group is 0.80% (2020: 0.03%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

17 SHARE CAPITAL

	Group and Company	
	2021	2020
	Number of shares	Number of shares
	('000)	('000)
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	703,338	703,338

As at 31 December 2021, included in the total number of ordinary shares was 39,321,600 (2020: 39,321,600) shares purchased by the Company (the “Treasury Shares”) by way of market acquisition at an average price of \$1.72 (2020: \$1.72) per share. The Treasury Shares were deducted from total equity (see Note 18).

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

Capital management

The Board’s policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net profit divided by total shareholders’ equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Group funds its operations and growth through a mix of equity and debt. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

From time to time, the Group may undertake share purchases or acquisitions under its approved Share Purchase Mandate if and when circumstances permit, as part of the Group’s management mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The purchases or acquisitions of its shares seek to increase shareholders’ values and provide greater flexibility over the Company’s share capital structure.

There were no changes in the Group’s approach to capital management during the year.

The net gearing ratio is calculated as net debt divided by total equity (excluding non-controlling interests). Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Borrowings	2,545,759	2,429,535	35,472	36,573
Less: Cash and cash equivalents	(123,415)	(118,739)	(56,249)	(47,712)
Net debt	2,422,344	2,310,796	(20,777)	(11,139)
Total equity (excluding non-controlling interests)	3,929,317	3,624,129	1,994,357	1,882,833
Net gearing ratio	0.62	0.64	(0.01)	(0.01)

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of some of their external borrowings, and these have been complied with during the year. In 2021, a subsidiary had placed a fixed deposit of GBP615,000 with the bank to ensure that the loan-to-valuation ratio was not breached.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

18 RESERVES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Reserve for own shares	(67,796)	(67,796)	(67,796)	(67,796)
Capital reserve	791	791	–	–
Hedging reserve	(14,843)	(33,500)	–	–
Foreign currency translation reserve	7,696	(14,725)	–	–
Retained earnings	3,847,421	3,583,311	1,906,105	1,794,581
	3,773,269	3,468,081	1,838,309	1,726,785

Reserve for own shares

Reserve for own shares comprises the cost of the Company’s shares held by the Group.

Capital reserve

The capital reserve which arose prior to 1 January 2001, comprises negative goodwill arising on acquisition of interests in subsidiaries and effect of discounting of a loan extended to a subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, the gain or loss on instruments used to hedge the Group’s net investment in foreign operations that are determined to be effective hedges and exchange differences on monetary items which form part of the Group’s net investment in foreign operations, provided certain conditions are met.

Retained earnings

Included in retained earnings is net accumulated gain of \$343,921,000 (2020: \$228,396,000) representing share of post-acquisition results of associates and jointly-controlled entities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

19 LOANS AND BORROWINGS

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Secured bank loans	1,802,497	1,995,634	–	–
Lease liabilities	224	–	972	2,113
	1,802,721	1,995,634	972	2,113
Current liabilities				
Secured bank loans	742,839	433,714	33,360	33,348
Lease liabilities	199	187	1,140	1,112
	743,038	433,901	34,500	34,460
	2,545,759	2,429,535	35,472	36,573

The bank loans are secured on the following assets:

	Note	Group 2021 \$'000	2020 \$'000
Investment properties	5	4,810,895	4,474,837
Development properties	14	30,325	175,501
Carrying amounts		4,841,220	4,650,338

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

19 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Effective interest rate %	Expected year of maturity	Face value \$'000	Carrying amount \$'000
Group				
31 December 2021				
Secured bank loans – floating rate	1.02 – 1.61	2022 – 2026	2,545,336	2,545,336
Lease liabilities	4.00	2022 – 2024	442	423
31 December 2020				
Secured bank loans – floating rate	1.02 – 2.69	2021 – 2025	2,429,348	2,429,348
Lease liabilities	4.00	2021	199	187
Company				
31 December 2021				
Secured bank loans – floating rate	1.02 – 1.17	2022	33,360	33,360
Lease liabilities	2.50	2022 – 2023	2,164	2,112
31 December 2020				
Secured bank loans – floating rate	1.02 – 1.76	2021	33,348	33,348
Lease liabilities	2.50	2021 – 2023	3,344	3,225

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees provided by the Company to banks in respect of banking facilities amounting to \$2,702,671,000 (2020: to \$2,584,305,000) extended to its subsidiaries and jointly-controlled entities. The Group’s financial guarantees relate to those extended by the Company to jointly controlled entities. The periods in which the financial guarantees expire are as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Less than 1 year	50,680	–	762,402	400,017
Between 1 and 5 years	133,770	189,000	1,940,269	2,184,288
More than 5 years	–	–	–	–
	184,450	189,000	2,702,671	2,584,305

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

19 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities		Derivative liabilities held to hedge long-term borrowings	
	Secured bank loans \$'000	Lease liabilities \$'000	Interest rate swap – liabilities (net) \$'000	Total \$'000
Group				
Balance at 1 January 2020	2,423,420	–	15,291	2,438,711
Changes from financing cash flows				
Proceeds from bank loans	182,009	–	–	182,009
Repayment of bank loans and lease liabilities	(220,424)	(7)	–	(220,431)
Interest paid	(44,983)	(1)	–	(44,984)
Total changes from financing cash flows	(83,398)	(8)	–	(83,406)
The effect of changes in foreign exchange rates	44,343	2	–	44,345
Change in fair value	–	–	18,209	18,209
Other changes				
Liability-related				
Lease liabilities recognised	–	192	–	192
Interest expense	44,983	1	–	44,984
Total liability-related other changes	44,983	193	–	45,176
Balance at 31 December 2020	2,429,348	187	33,500	2,463,035
Balance at 1 January 2021				
	2,429,348	187	33,500	2,463,035
Changes from financing cash flows				
Proceeds from bank loans	398,208	–	–	398,208
Repayment of bank loans and lease liabilities	(291,664)	(48)	–	(291,712)
Interest paid	(41,744)	(10)	–	(41,754)
Total changes from financing cash flows	64,800	(58)	–	64,742
The effect of changes in foreign exchange rates	16,412	(8)	–	16,404
Change in fair value	–	–	(18,657)	(18,657)
Other changes				
Liability-related				
Lease liabilities recognised	–	292	–	292
Facility fees on loans capitalised	(6,968)	–	–	(6,968)
Interest expense	41,744	10	–	41,754
Total liability-related other changes	34,776	302	–	35,078
Balance at 31 December 2021	2,545,336	423	14,843	2,560,602

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

20 OTHER LIABILITIES

	Group	
	2021	2020
	\$'000	\$'000
Rental deposits	12,310	17,082
Amount due to non-controlling shareholder (non-trade)	17,666	15,213
	29,976	32,295

Amount due to a non-controlling shareholder (non-trade) represents the non-controlling shareholder’s net investment in the Group. The amount is unsecured and interest-free, and not expected to be repayable within the next 12 months. Accordingly, this non-current financial liability is measured at amortised cost.

21 DEFERRED INCOME

	Group	
	2021	2020
	\$'000	\$'000
Rental advances from tenants	44,354	46,265
Non-current	42,683	44,594
Current	1,671	1,671
	44,354	46,265

Included within rental advances from tenants is an amount of \$43,854,000 (2020: \$45,524,000) received by the Group arising from its sale of a 30-year leasehold interest in an investment property with 999-year tenure in 2018. The sale proceeds are amortised and recognised as rental income over the 30-year leasehold period.

22 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group	Company	
	2021	2020	2021
	\$'000	\$'000	\$'000
Rental deposits	8,261	3,123	–
Accrued operating expenses and development expenditure	24,678	16,710	14,004
Amounts due to subsidiaries (non-trade)	–	–	2,397
Other payables	38,016	27,363	–
Derivative financial liability	14,843	33,500	–
Goods and services tax payable	5,957	9,689	231
	91,755	90,385	16,632

Amounts due to subsidiaries are unsecured and interest-free, and are repayable on demand.

Included in other payables is an amount of \$10,454,000 (2020: \$850,000) pertaining to sales deposits received for development properties which had pre-sales during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

23 REVENUE

Revenue represents the sale of development properties, rental income and service charges, after eliminating inter-company transactions.

	Group	
	2021	2020
	\$'000	\$'000
Sales of development properties, transferred at a point in time	123,951	679
Rental income and service charges	223,742	215,002
	347,693	215,681

Included in rental income and service charges is lease income generated from investment properties of \$217,342,000 (2020: \$207,940,000).

24 OTHER INCOME

	Group	
	2021	2020
	\$'000	\$'000
Government grant income	94	5,828
Government grant expense	–	(4,636)
Dividend income from investment designated at FVTPL	119	13
Realised gains from financial assets designated at FVTPL	67	113
Fair value gain/(loss) on financial assets at FVTPL	37,726	(66)
Forfeiture income	69	–
Income from tenants’ usage of chilled water and air-conditioning	1,158	1,222
Management fee income	351	354
Sale of management rights on development property project	129	169
Others	484	878
	40,197	3,875

Government grant income

Various government grants were received to help companies deal with the impact from COVID-19:

- In 2021, government grant income of \$94,000 (2020: \$744,000) related to various temporary wage support schemes in Singapore and Australia; and
- In 2020, government grant income of \$5,084,000 related to property tax rebates and small and medium enterprises (“SME”) cash grants received from the Singapore Government under the Rent Relief Framework. The Group is obliged to pass on the benefits to its tenants and has transferred these to tenants in the form of rent rebates in 2020. For the SME cash grant, the Group is obliged to waive up to 2 months of rental to eligible SME tenants.

Government grant expense

In 2020, government grant expense of \$4,636,000 related to property tax rebates and SME cash grants received from the Singapore Government were transferred to tenants in the form of rent rebates and rental waivers provided to eligible SME tenants as part of the qualifying conditions of the cash grant under the Rent Relief Framework.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

25 DIRECTORS’ REMUNERATION

Number of directors in remuneration bands:

	2021 Number of Directors	2020 Number of Directors
\$500,000 and above	3	3
\$250,000 to \$499,999	–	–
Below \$250,000	7*	5*
Total	10	8

* Includes 7 (2020: 5) independent directors.

26 FINANCE INCOME AND FINANCE COSTS

	Group	
	2021 \$'000	2020 \$'000
Interest income from debt investments carried at amortised cost/finance income	1,965	2,149
Interest expenses on financial liabilities measured at amortised cost/finance costs	(41,754)	(44,984)
Net finance costs recognised in profit or loss	(39,789)	(42,835)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

27 INCOME TAX EXPENSE

	Note	2021 \$'000	Group 2020 \$'000
Current tax expense			
Current year		29,031	24,446
Over provision of tax in prior years		(24,451)	(1,845)
		4,580	22,601
Deferred tax expense			
Movements in temporary differences		7,406	494
(Over)/under provision in respect of prior years		(421)	501
	13	6,985	995
Withholding taxes		6,004	5,433
Total income tax expense		17,569	29,029
Reconciliation of effective tax rate			
Profit for the year		340,009	141,655
Total income tax expense		17,569	29,029
Profit before income tax		357,578	170,684
Tax calculated using Singapore tax rate of 17% (2020: 17%)			
		60,788	29,016
Expenses not deductible for tax purposes		2,324	9,014
Tax exempt revenue		(122)	(104)
Income not subject to tax		(7,914)	(4,177)
Effect of different tax rates in other countries		1,945	1,480
Effect of results of equity-accounted investees presented net of tax		(19,639)	(9,425)
Withholding taxes		6,004	5,433
Tax incentives		(945)	(855)
Utilisation of previously unrecognised tax losses		–	(9)
Over provision of tax in prior years		(24,872)	(1,344)
		17,569	29,029

Significant judgement is required in determining the Group’s taxability of certain income, capital allowances, and deductibility of certain expenses during the estimation of the provision for income taxes and deferred tax liabilities. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Group’s statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

28 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Note	Group 2021 \$'000	2020 \$'000
Direct operating expenses from investment properties		15,638	13,372
Audit fees payable/paid to auditors of the Company		478	435
Non-audit fees paid to auditors of the Company		139	170
Depreciation of property, plant and equipment and right-of-use assets	4	1,045	776
Staff costs		12,088	10,484
Contributions to defined contribution plans included in staff costs		615	552
Allowance for impairment loss on trade receivables	35	273	584
Write down to net realisable value for properties held for sale	14	–	536

29 EARNINGS PER SHARE

	Group 2021 \$'000	2020 \$'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	330,512	137,065

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

	Group 2021 Number of shares '000	2020 Number of shares '000
Ordinary shares in issue at beginning of the year	703,338	703,338
Effect of own shares held	(39,322)	(38,475)
Weighted average number of ordinary shares in issue during the year	664,016	664,863

30 DIVIDENDS

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

	Group and Company 2021 \$'000	2020 \$'000
Proposed first and final tax-exempt dividend of 10 cents (2020: first and final tax-exempt dividend of 8 cents and special dividend of 2 cents) per share	66,402	66,402

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

31 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Group are considered as key management personnel.

Key management personnel compensation comprises:

	Group 2021 \$'000	2020 \$'000
Directors' fees	492	425
Directors' remuneration: – short-term employee benefits	13,259	11,001
	13,751	11,426

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the transactions with related parties entered into on terms agreed between the parties are as follows:

	Group 2021 \$'000	2020 \$'000
Associates and jointly-controlled entities		
Management fee	294	294
Interest income	1,729	1,415

Related corporations

Rental income	81	83
Other operating expenses: – insurance on investment properties	83	83
– other insurances	137	150
– printing	5	13
– commission	159	–
– others	33	27

Other related parties

Donations made	(i)	2,500	2,000
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- (i) The donation of \$2,500,000 (2020: \$2,000,000) was made to Ho Bee Foundation ("Foundation"), of which Dr Chua Tian Poh, Mr Seow Choke Meng and Ms Josephine Choo are directors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

32 LEASES

(a) Leases as lessee

The Group leases some office premises for its subsidiaries in Australia. The leases run for a period of 1 to 3 years.

The Company leases its office premise from a subsidiary. The lease runs for a period of 5 years, with an option to renew the lease after that date.

Information about the right-of-use asset relating to the leased office premise is in Note 4.

(b) Leases as lessor

The Group leases out its investment properties and certain properties held for sale. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

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

	Group	
	2021 \$'000	2020 \$'000
Operating leases under SFRS(I) 16		
Less than one year	206,052	213,622
One to two years	169,116	195,705
Two to three years	130,682	160,403
Three to four years	97,499	122,490
Four to five years	51,060	71,160
More than five years	111,966	148,098
Total	766,375	911,478

33 COMMITMENTS

As at 31 December 2021, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	2021 \$'000	2020 \$'000
Authorised and contracted for:		
– subscription for additional interest in European property funds and notes	55,604	86,973
– development expenditure for properties under development	30,257	16,689
– capital expenditure for investment properties	166,896	8,644
– balance sum on purchase of land for development properties	235,620	97,545
– balance sum on purchase of land for investment property	–	167,700
	488,377	377,551

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

34 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group’s exposure to each of the above risks, and the Group’s objectives, policies and processes for measuring and managing the risk.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and financial assets. The Group has procedures in place to manage credit risk and exposure to such risk is monitored on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses. When the Group is satisfied that no recovery of the amount owing is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are restricted with counterparties who meet the appropriate credit criteria and/or are of high credit standing. As such, management does not expect any counterparty to fail to meet its obligations.

Financial guarantee

The principal risk to which the Company is exposed to is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were provided on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries, associates and jointly-controlled entities.

The intra-group financial guarantees with subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company’s obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

As of balance sheet date, there is no provision made in respect of the obligations as the Group and Company believes it is remote that these corporate guarantees will be called upon.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

34 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient level of cash and fixed deposits to meet its working capital requirements.

In addition, the Group maintains a revolving credit facility of a reasonable level compared to its current debt obligation. When necessary, the Group will raise committed funding from either the capital markets and/or financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at reporting date, the Group has an undrawn committed revolving credit facility of \$388,755,000 (2020: \$301,106,000) which can be drawn down to meet short-term financing needs.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group manages its interest rate exposure by actively reviewing its debt portfolio and switching to cheaper sources of funding to achieve a certain level of protection against interest rate hikes. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform (see Note 3.3(vi) for the accounting policy).

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable rate borrowings, and the Group actively monitors the need and timing for such derivatives.

Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's statement of financial position.

Hedging relationships that are impacted by the IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR transition. For further details, see '*Managing interest rate benchmark reform and associated risks*' below.

Cash flow hedges

As at 31 December 2021, a subsidiary of the Group has entered into interest rate swaps totalling \$450,000,000 (2020: \$450,000,000) to fix the interest relating to the payment of periodic interest charges arising from bank borrowings, and designated these as cash flow hedges. The risk being hedged was the variability of cash flows arising from movements in interest rates. The hedges will be in place until the bank borrowings mature in 2024.

The cash flows will occur on a periodic basis until the loans mature in 2024 and these hedges which are designated as cash flow hedges, are considered to be highly effective. The carrying value of the hedging instruments were remeasured to their fair value at each reporting date, with the effective portion of changes in fair value since inception being taken to the hedging reserve. The gain/loss recognised in the OCI in 2021 in respect of the changes in fair value of the hedging instruments were a gain of \$18,657,000 (2020: loss of \$18,270,000). There was no ineffectiveness recognised in profit or loss that arose from the cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

34 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform").

In 2021, the Group replaced all of its floating-rate liabilities indexed to Sterling London Inter-Bank Offered Rate ("LIBOR") with the Sterling Overnight Interbank Average Rate ("SONIA"), and a floating-rate liability indexed to the Singapore swap offered rates ("SOR") to the Singapore Overnight Rate Average ("SORA"). The effective interest rates of these financial liabilities were updated to reflect the change as a result of the reform.

As at 31 December 2021, the Group's remaining IBOR exposures included certain secured bank loans indexed to the Singapore swap offered rates ("SOR"). The Group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet been agreed. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA ("SC-STs") together with the Association of Banks in Singapore ("ABS") and Singapore Foreign Exchange Market Committee ("SFEMC"), has recommended the discontinuation of SOR and a shift towards the use of Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR is by the end of June 2023.

Management monitors and manages the Group's transition to alternative rates. They evaluate the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. Management reports to the Company's Board of Directors quarterly and the reporting includes matters of interest rate risk and risks arising from IBOR reform.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

Hedge accounting

As at 31 December 2021, the Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rate which is SOR. This benchmark rate is quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. The Group is still in discussion with the counterparties for all SOR indexed exposures and the relevant hedging instruments and hedged items have not been amended to transition from SOR. The Group has evaluated that there is uncertainty about when and how the replacement may occur with respect to the relevant hedged items and hedging instruments and such uncertainty may impact the hedging relationships. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. In this period of uncertainty and transition, the Group continues to apply the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to these hedging relationships directly affected by IBOR reform (see Note 3.3(vi) for the accounting policy).

The Group's exposure to SOR designated in hedging relationships that may be affected by the interest rate benchmark reform approximates \$450,000,000 (2020: \$450,000,000) as at 31 December 2021. This represents the nominal amount of the interest rate swaps to fix the interest relating to the payment of periodic interest charges arising from bank borrowings. The Group is managing the transition to new benchmark rates for affected financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

34 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk (cont'd)

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an "unreformed contract").

The following table shows the total amounts of unreformed contracts at 31 December 2021. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR Total amount of unreformed contracts \$'000
Group	
31 December 2021	
Financial liabilities	
Secured bank loans	450,000
Derivatives	
Interest rate swaps	450,000

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group is also exposed to currency translation risk on its net investments in foreign operations. The currencies giving rise to these risks are primarily the United States dollar (USD), British pound (GBP), Australian dollar (AUD), Euro (EUR) and Renminbi (RMB).

Net investment hedge in foreign operation

The Group designated its GBP-denominated external borrowings as a hedge of the net investment in its subsidiaries that are denominated in GBP to minimise the Group's exposure to the currency risk arising on translation of net investments in foreign operations. The hedged risk in the net investment hedge is the risk of a weakening GBP against the Singapore dollar (SGD) that will result in a reduction in the carrying amount of the Group's net investment in the GBP foreign operations. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the SGD/GBP spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

No ineffectiveness was recognised from the net investment hedge. The Group's investments in other subsidiaries are not hedged.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Group's credit risk is primarily attributable to trade and other receivables and financial assets. Based on the Group's historical experience in the collection of accounts receivable, credit risk falls within the recorded allowance. Due to these factors, management believes that no additional credit risk is inherent in the Group's trade receivables.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group 2021 \$'000	2020 \$'000
Impairment loss on trade and other receivables	273	584

At the reporting date, the Group has receivables owing from jointly-controlled entities totalling to \$183,492,000 (2020: \$256,723,000) representing 61% (2020: 83%) of total gross trade and other receivables. Except for these receivables, there was no concentration of credit risk.

Impairment losses

Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. ECL is calculated based on actual credit loss experience over the past three years, and adjusted for differences between economic conditions during the period over which the historic data has been collected, current market conditions and the Group's view of economic conditions over the expected lives of the receivables. As of 2021, no scalar factor has been applied.

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

	Gross carrying amount \$'000	2021 Impairment loss allowance \$'000	Gross carrying amount \$'000	2020 Impairment loss allowance \$'000
Group				
Not past due	14,773	—	23,189	—
Past due 1 – 30 days	984	—	180	(80)
Past due 31 – 120 days	77	—	415	(262)
More than 120 days past due	989	(871)	1,535	(251)
	16,823	(871)	25,319	(593)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables

The movements in impairment loss in respect of trade receivables during the year are as follows:

	Group	
	2021	2020
	\$'000	\$'000
At 1 January	593	4
Impairment loss recognised	693	584
Reversal of impairment loss	(420)	–
Bad debt written off	(4)	–
Effects of movements in exchange rate	9	5
At 31 December	871	593

Impairment loss relates to tenants that are in financial difficulties and have defaulted on payments. Where the tenants have provided security deposits, the impairment loss were recognised based on rental in arrears net of security deposits.

Based on the Group’s assessment, the Group believes that no further impairment allowance beyond that provided for is necessary in respect of trade and other receivables as the remaining balances are considered fully recoverable.

Guarantees

The Group’s policy is to provide financial guarantees only for its subsidiaries, associates and jointly-controlled entities’ liabilities. At 31 December 2021, the Company has issued guarantees to certain banks in respect of credit facilities granted to nine subsidiaries and one jointly-controlled entity (see Note 19). The Company had assessed that the expected credit loss in respect of the Company’s guarantees issued was insignificant.

Amounts due from subsidiaries and jointly-controlled entities

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances was insignificant.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

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

	Cash flows				
	Carrying amount	Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans*	2,545,336	(2,652,528)	(576,841)	(2,075,687)	–
Rental deposits	20,571	(20,571)	(8,261)	(12,310)	–
Trade and other payables**	69,905	(69,905)	(52,240)	(17,665)	–
Lease liability	423	(442)	(211)	(231)	–
Recognised liabilities	2,636,235	(2,743,446)	(637,553)	(2,105,893)	–
Financial guarantees (unrecognised)	–	(184,450)	(50,680)	(133,770)	–
	2,636,235	(2,927,896)	(688,233)	(2,239,663)	–
31 December 2020					
Non-derivative financial liabilities					
Secured bank loans*	2,429,348	(2,539,931)	(476,553)	(2,063,378)	–
Rental deposits	20,205	(20,205)	(3,123)	(17,082)	–
Trade and other payables**	59,286	(59,286)	(44,073)	(15,213)	–
Lease liability	187	(199)	(199)	–	–
Recognised liabilities	2,509,026	(2,619,621)	(523,948)	(2,095,673)	–
Financial guarantees (unrecognised)	–	(189,000)	–	(189,000)	–
	2,509,026	(2,808,621)	(523,948)	(2,284,673)	–

* The contractual cashflows are net of the impact of interest rate swaps.
For secured bank loans with no interest rate swap arrangements, the contractual cashflows include the estimated interest payments based on interest rates repriced in the 4th quarter of each financial year.

** Exclude derivative financial liability, sales deposits and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

		Cash flows			
	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Company					
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	33,360	(34,148)	(34,148)	–	–
Amounts due to subsidiaries	2,397	(2,397)	(2,397)	–	–
Trade and other payables*	14,004	(14,004)	(14,004)	–	–
Lease liability	2,112	(2,164)	(1,180)	(984)	–
Recognised liabilities	51,873	(52,713)	(51,729)	(984)	–
Intragroup financial guarantees (unrecognised)	–	(2,702,671)	(762,402)	(1,940,269)	–
	51,873	(2,755,384)	(814,131)	(1,941,253)	–
31 December 2020					
Non-derivative financial liabilities					
Secured bank loans	33,348	(33,688)	(33,688)	–	–
Amounts due to subsidiaries	20,016	(20,016)	(20,016)	–	–
Trade and other payables*	11,293	(11,293)	(11,293)	–	–
Lease liability	3,225	(3,344)	(1,180)	(2,164)	–
Recognised liabilities	67,882	(68,341)	(66,177)	(2,164)	–
Intragroup financial guarantees (unrecognised)	–	(2,584,305)	(400,017)	(2,184,288)	–
	67,882	(2,652,646)	(466,194)	(2,186,452)	–

* Exclude goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

Exposure to currency risk

The Group's significant exposures to foreign currencies other than the Company's functional currency are as follows:

	2021					2020				
	USD \$'000	GBP \$'000	AUD \$'000	EUR \$'000	RMB \$'000	USD \$'000	GBP \$'000	AUD \$'000	EUR \$'000	RMB \$'000
Group										
Financial assets	304	–	–	225,833	–	421	–	–	174,086	–
Trade and other receivables	32,731	671,800	286,561	–	2,250	72,744	673,547	123,710	–	–
Cash and cash equivalents	287	42,655	5,225	1,589	41,935	120	46,904	14,793	7	28
Loans and borrowings	–	(1,812,682)	(755)	(113,421)	–	–	(1,876,892)	(882)	(101,761)	–
	33,322	(1,098,227)	291,031	114,001	44,185	73,285	(1,156,441)	137,621	72,332	28
Company										
Financial assets	–	–	–	225,833	–	–	–	–	174,086	–
Trade and other receivables	–	658,215	276,068	–	–	–	650,808	118,644	–	–
Cash and cash equivalents	–	–	–	1,586	41,851	–	–	–	3	28
Loans and borrowings	–	(33,751)	–	–	–	–	(33,348)	–	–	–
	–	624,464	276,068	227,419	41,851	–	617,460	118,644	174,089	28

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

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

	10% strengthening of SGD	
	Equity \$'000	Profit before income tax \$'000
Group		
31 December 2021		
USD	(3,273)	(59)
GBP	111,047	(1,224)
AUD	(1,496)	(27,607)
EUR	–	(11,400)
RMB	–	(4,419)
31 December 2020		
USD	(7,274)	(54)
GBP	118,154	(2,510)
AUD	(1,898)	(11,864)
EUR	–	(7,233)
RMB	–	(3)
Company		
31 December 2021		
GBP	(61,275)	(1,171)
AUD	–	(27,607)
EUR	–	(22,742)
RMB	–	(4,185)
31 December 2020		
GBP	(59,304)	(2,442)
AUD	–	(11,864)
EUR	–	(17,409)
RMB	–	(3)

A 10% weakening of the SGD against the above currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Hedge accounting

Net investment hedges

At 31 December 2021, the Group's amounts relating to items designated as hedging instruments for net investment hedge are as follows:

	Nominal amount \$'000	Carrying amount – assets \$'000	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness \$'000	Change in value of hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss \$'000	Line item affected in profit or loss because of the reclassification
2021										
Foreign exchange denominated debt (GBP)	477,628	–	477,628	Loans and borrowings	1,628	1,628	–	NA	–	NA
2020										
Foreign exchange denominated debt (GBP)	471,921	–	471,921	Loans and borrowings	2,696	2,696	–	NA	–	NA
				Change in value used for calculating hedge ineffectiveness \$'000	Foreign currency translation reserve \$'000		Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied \$'000			
For the year ended 31 December 2021										
GBP net investment				1,628	2,990		–			
For the year ended 31 December 2020										
GBP net investment				2,696	1,362		–			

NA: Not Applicable

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

Profile

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

	Group Carrying amount		Company Carrying amount	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	195,476	212,294	1,003,356	809,109
Lease liabilities	(423)	(187)	(2,112)	(3,225)
Effect of interest rate swaps	(450,000)	(450,000)	–	–
	<u>(254,947)</u>	<u>(237,893)</u>	<u>1,001,244</u>	<u>805,884</u>
Variable rate instruments				
Bank loans	(2,545,336)	(2,429,348)	(33,360)	(33,348)
Effect of interest rate swaps	450,000	450,000	–	–
	<u>(2,095,336)</u>	<u>(1,979,348)</u>	<u>(33,360)</u>	<u>(33,348)</u>

Sensitivity analysis

Fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Variable rate instruments

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

	Profit before income tax	
	100 bp increase	100 bp decrease
	\$'000	\$'000
Group		
31 December 2021		
Variable rate instruments	<u>(20,953)</u>	<u>20,953</u>
31 December 2020		
Variable rate instruments	<u>(19,793)</u>	<u>19,793</u>
Company		
31 December 2021		
Variable rate instruments	<u>(334)</u>	<u>334</u>
31 December 2020		
Variable rate instruments	<u>(333)</u>	<u>333</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a finance team that reports directly to the Finance Director, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Financial assets designated at FVTPL and FVOCI

The fair value of the Group's and the Company's financial assets designated at FVTPL and FVOCI is determined by reference to their quoted bid price at the balance sheet date. If a quoted market price is not available, the fair value of the financial assets is estimated using valuation techniques disclosed in the respective fair value levels.

Amounts due from/to subsidiaries, jointly-controlled entities and non-controlling shareholder

The carrying values of amounts due from/to subsidiaries and jointly-controlled entities that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows. For non-interest bearing amounts, the prevailing market interest rates of similar loans are used to discount the loans due from/to subsidiaries, jointly-controlled entities and non-controlling shareholder to arrive at their fair values.

Interest-bearing bank loans (secured)

The carrying values of interest-bearing bank loans that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables, including derivatives) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are as follows:

	2021 %	2020 %
Receivables	1.0 – 1.5	1.0 – 1.5
Payables	<u>1.0 – 1.6</u>	<u>1.0 – 2.7</u>

Fair values versus carrying amounts

The carrying amounts of the Group's and the Company's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2021 and 31 December 2020. Fair value disclosure of lease liabilities is not required.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets carried at fair value				
Group				
31 December 2021				
Financial assets carried at FVTPL	5,221	–	226,059	231,280
Financial assets designated at FVOCI	–	–	78	78
Interest rate swaps used for hedging	–	(14,843)	–	(14,843)
	5,221	(14,843)	226,137	216,515
31 December 2020				
Financial assets carried at FVTPL	–	–	174,431	174,431
Financial assets designated at FVOCI	–	–	77	77
Interest rate swaps used for hedging	–	(33,500)	–	(33,500)
	–	(33,500)	174,508	141,008

Level 2 fair values

The Group entered into interest rate swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps are carried at fair value at each reporting date, based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs in measuring the fair value.

	Group	
	Contract/ notional amount \$'000	Fair value of assets \$'000
31 December 2021		
Cash flow hedges – Interest rate swaps	450,000	(14,843)
31 December 2020		
Cash flow hedges – Interest rate swaps	450,000	(33,500)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

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

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at FVTPL \$'000	Financial assets at FVOCI \$'000	Total \$'000
Group			
2021			
At 1 January	174,431	77	174,508
Net changes in fair value	37,520	–	37,520
Realised gain recognised in profit or loss	67	–	67
Exchange (loss)/gain recognised in profit or loss	(11,575)	1	(11,574)
Purchases	27,388	–	27,388
Distribution	(170)	–	(170)
Redemption	(1,602)	–	(1,602)
At 31 December	226,059	78	226,137
Total gain for the year included in profit or loss for assets held as at 31 December			
	26,012	1	26,013
2020			
At 1 January	103,342	78	103,420
Net changes in fair value	(66)	–	(66)
Realised gain recognised in profit or loss	113	–	113
Exchange gain/(loss) recognised in profit or loss	11,297	(1)	11,296
Purchases	59,977	–	59,977
Distribution	(232)	–	(232)
At 31 December	174,431	77	174,508
Total gain/(loss) for the year included in profit or loss for assets held as at 31 December			
	11,344	(1)	11,343

The gain/(loss) included in profit or loss for the year (above) is presented as follows:

	2021 \$'000	2020 \$'000
Other income		
Fair value gain/(loss)	37,520	(66)
Realised gains from financial assets designated at FVTPL	67	113
	37,587	47
Gain on foreign exchange		
Exchange (loss)/gain recognised	(11,574)	11,296
Total gain included in profit or loss for the year		
	26,013	11,343

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

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

Level 3 fair values (cont'd)

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of European property fund and debt instruments (notes) are determined based on the latest available net asset value of the funds and notes obtained from the investment property/fund manager. The underlying assets of the European property fund and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

Due to the inherent uncertainty of valuations of financial assets, the estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Sensitivity analysis

For financial assets at FVTPL, a change of 10% in fair value of the investments would result in an increase or decrease of profit before income tax by \$23,128,000 (31 December 2020: \$17,443,000).

Financial instruments by category

	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	FVOCI – equity instruments \$'000	Fair value – hedging instruments \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Group						
31 December 2021						
Trade and other receivables*	214,293	–	–	–	–	214,293
Financial assets at FVOCI	–	–	78	–	–	78
Financial assets at FVTPL	–	231,280	–	–	–	231,280
Cash and cash equivalents	123,415	–	–	–	–	123,415
Loans and borrowings	–	–	–	–	(2,545,759)	(2,545,759)
Trade and other payables, including derivatives**	–	–	–	(14,843)	(90,476)	(105,319)
	337,708	231,280	78	(14,843)	(2,636,235)	(2,082,012)
31 December 2020						
Trade and other receivables*	290,928	–	–	–	–	290,928
Financial assets at FVOCI	–	–	77	–	–	77
Financial assets at FVTPL	–	174,431	–	–	–	174,431
Cash and cash equivalents	118,739	–	–	–	–	118,739
Loans and borrowings	–	–	–	–	(2,429,535)	(2,429,535)
Trade and other payables, including derivatives**	–	–	–	(33,500)	(78,641)	(112,141)
	409,667	174,431	77	(33,500)	(2,508,176)	(1,957,501)

* Excludes prepayments, tax recoverable and goods and services tax recoverable.

** Excludes goods and services tax payable and sale deposits.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

35 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Company				
31 December 2021				
Trade and other receivables*	1,197,605	–	–	1,197,605
Financial assets at FVTPL	–	225,833	–	225,833
Cash and cash equivalents	56,249	–	–	56,249
Loans and borrowings	–	–	(35,472)	(35,472)
Trade and other payables**	–	–	(16,401)	(16,401)
	1,253,854	225,833	(51,873)	1,427,814
31 December 2020				
Trade and other receivables*	1,080,779	–	–	1,080,779
Financial assets at FVTPL	–	174,086	–	174,086
Cash and cash equivalents	47,712	–	–	47,712
Loans and borrowings	–	–	(36,573)	(36,573)
Trade and other payables**	–	–	(31,309)	(31,309)
	1,128,491	174,086	(67,882)	1,234,695

* Excludes prepayments.

** Excludes goods and services tax payable.

36 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, management reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Property investment : The investment in properties.
- Property development : The development and trading in properties.

Other segments include investing in equity securities, private equity and European property fund and notes. These segments do not meet any of the quantitative thresholds for determining reportable segments in 2021 or 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

36 OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Property Development \$'000	Property Investment \$'000	Others \$'000	Total \$'000
31 December 2021				
Revenue	123,951	223,742	–	347,693
Operating results	19,635	205,391	–	225,026
Other operating income				93,303
Other operating expenses				(36,487)
Profit from operations				281,842
Finance costs				(39,789)
Share of profits of associates				44,217
Share of profits of jointly-controlled entities				71,308
Income tax expense				(17,569)
Profit for the year				340,009
Other material non-cash items:				
– Fair value changes on investment properties	–	53,106	–	53,106
Capital expenditure	–	184,482	–	184,482
Reportable segment assets	352,884	5,006,157	231,358	5,590,399
Investments in associates and jointly-controlled entities*	797,776	–	–	797,776
Reportable segment liabilities	41,384	2,599,883	–	2,641,267
31 December 2020				
Revenue	679	215,002	–	215,681
Operating results	(851)	198,908	–	198,057
Other operating income				19,422
Other operating expenses				(59,401)
Profit from operations				158,078
Finance costs				(42,835)
Share of profits of associates				53,203
Share of profits of jointly-controlled entities				2,238
Income tax expense				(29,029)
Profit for the year				141,655
Other material non-cash items:				
– Fair value changes on investment properties	–	(32,792)	–	(32,792)
Capital expenditure	–	12,591	–	12,591
Deposit for land premium	–	55,900	–	55,900
Reportable segment assets	339,845	4,755,047	174,508	5,269,400
Investments in associates and jointly-controlled entities*	801,787	–	–	801,787
Reportable segment liabilities	37,883	2,494,101	–	2,531,984

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

36 OPERATING SEGMENTS (CONT'D)

(a) Operating segments (cont'd)

Reconciliations of reportable segment assets and liabilities and other material items

	2021 \$'000	2020 \$'000
Assets		
Total assets for reportable segments	5,359,041	5,094,892
Assets for other segment	231,358	174,508
Investments in equity accounted investees*	797,776	801,787
Other unallocated amounts	352,142	255,071
Consolidated total assets	6,740,317	6,326,258
Liabilities		
Total liabilities for reportable segments	2,641,267	2,531,984
Other unallocated amounts	149,399	153,604
Consolidated total liabilities	2,790,666	2,685,588

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

	Reportable segment total \$'000	Unallocated amounts \$'000	Consolidated total \$'000
Other material items			
31 December 2021			
Capital expenditure	184,482	–	184,482
Depreciation of property, plant and equipment	–	1,046	1,046
31 December 2020			
Capital expenditure	12,591	9,085	21,676
Deposit for land premium	55,900	–	55,900
Depreciation of property, plant and equipment	–	776	776

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

36 OPERATING SEGMENTS (CONT'D)

(b) Geographical segments

The Group operates principally in Singapore, China, United Kingdom and Australia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business. Segment assets are based on the geographical location of the assets.

	Singapore \$'000	China \$'000	United Kingdom \$'000	Australia \$'000	Consolidated total \$'000
31 December 2021					
Revenue	174,477	1,256	122,964	48,996	347,693
Non-current assets*	2,767,942	427,113	2,531,196	36,446	5,762,697
31 December 2020					
Revenue	100,858	–	113,189	1,634	215,681
Non-current assets*	2,540,341	426,116	2,464,804	27,221	5,458,482

* Excludes financial assets, other receivables and deferred tax asset.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more to the Group’s revenue.

37 DETERMINATION OF FAIR VALUES

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 35.

Investment properties

Investment properties are stated at fair value. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group’s investment property portfolio at each year end.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing, wherein the parties had each acted knowledgeably. The valuers have considered valuation techniques including market comparison method, the income capitalisation method and the residual value method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. Assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate, comparable market price and occupancy rate.

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

37 DETERMINATION OF FAIR VALUES (CONT'D)

Investment properties (cont’d)

The income capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property.

The residual value method, which is used to value the property in its existing partially completed state of construction, involves estimating the gross development value (“GDV”) of the proposed development and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin on construction and development. The GDV is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. In estimating the GDV, the valuer has considered the sale of comparable properties with adjustments made to reflect the differences in location, tenure, size, standard of finishes and fittings as well as the dates of transactions.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 35.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Non-financial assets carried at fair value				
Group				
31 December 2021				
Investment properties	–	–	4,952,993	4,952,993
31 December 2020				
Investment properties	–	–	4,629,845	4,629,845

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties 2021 \$'000	Investment properties 2020 \$'000
Group		
At 1 January	4,629,845	4,600,366
Additions/capital expenditure	184,482	12,591
Reclassification from deposit for land premium	55,900	–
Gains and losses for the year		
Changes in fair value	53,106	(32,792)
Movements in exchange rates	29,660	49,680
At 31 December	4,952,993	4,629,845

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

37 DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 31 December 2021:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties in Singapore	Market comparison method	Transacted price of comparable properties ¹ : \$647 – \$2,170 psf (2020: \$585 – \$2,301 psf)	The estimated fair value would increase/ (decrease) if: – The transacted price of comparable properties was higher/(lower)
	Income capitalisation approach	Capitalisation rates: 3.50% – 5.00% (2020: 3.50% – 5.00%)	The estimated fair value would increase/ (decrease) if: – The capitalisation rate was lower/(higher)
Commercial property under development in Singapore	Residual value method	Gross development value: \$463,900,000 (2020: Not applicable ²)	The estimated fair value would increase/ (decrease) if: – The gross development value increases/ (decreases)
Commercial properties in United Kingdom	Income capitalisation approach	Capitalisation rates: 4.03% – 5.65% (2020: 4.02% – 5.50%)	The estimated fair value would increase/ (decrease) if: – The capitalisation rate was lower/(higher)

¹ Adjusted for any differences in location, tenure, size and conditions of the specific property.
² With the assumption of land title during the year, valuation was first performed in 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

38 SUBSEQUENT EVENTS

(i) Tax discharge for gain arising from the sale of Hotel Windsor

In February 2022, the Group had received a Notice of Amended Tax Assessment relating to the gain from the sale of Hotel Windsor in FY2013. The Group had previously made a provision for tax of \$20.3 million in FY2018 when it received the Notice of Additional Assessment.

This \$20.3 million has been discharged pursuant to the Notice of Amended Tax Assessment. Accordingly, the Group will reverse the provision for tax and record the tax credit of \$20.3 million in the financial year ending 31 December 2022.

(ii) Acquisition of a new London property

On 24 February 2022, the Company announced that it had entered into a share purchase agreement with Berkley Insurance Company and Berkley Regional Insurance Company to acquire all the ordinary shares representing the entire issued share capital of 34 Leadenhall Street Limited (the “Acquisition”).

The consideration for the Acquisition is GBP718 million (approximately S\$1.31 billion), which was arrived at on a willing-seller and willing-buyer basis. The consideration will be settled fully in cash. A deposit of GBP35.9 million was paid on 23 February 2022, with the balance paid upon completion on 7 March 2022.

The Acquisition will be financed by internal funds and bank borrowings.

(iii) Russia – Ukraine conflict

This conflict creates uncertainty and increased volatility in global financial and commodity markets. The situation may evolve rapidly, and management is unable to ascertain the full impact of the conflict on the Group’s business in the medium-to-longer term.

Management will continue to monitor the situation for potential adverse impact on the Group’s business and take appropriate measures where necessary.

ADDITIONAL
INFORMATION

AS AT 31 DECEMBER 2021

INVESTMENT PROPERTIES

Location	Description	Land Tenure	Lettable Area (sq m)	Group's effective interest
Singapore				
623A Bukit Timah Road	Petrol station	Leasehold – 999 years	1,857	100%
Eastwood Centre 20 Eastwood Road	2 retail units	Leasehold – 99 years from 6 November 1995	972	100%
HB Centre 1 12 Tannery Road	A block of 10-storey high-tech industrial building	Freehold	7,662	100%
HB Centre 2 31 Tannery Lane	A block of 8-storey light industrial building	Freehold	3,216	100%
The Metropolis 9 & 11 North Buona Vista Drive	Two office towers of 21 and 23 storeys with retail component	Leasehold – 99 years from 3 November 2010	100,396	100%
Elementum 1 North Buona Vista Link	A 12-storey Biomedical Sciences Development with retail facilities	Leasehold – 60 years from 20 Feb 2021	33,156	100%
London				
1 St Martin's Le Grand London EC1A 4NP	A block of 11-storey office building	Freehold	25,715	100%
60 St Martin's Lane London WC2 4JS	A block of 6-storey office building	Freehold	3,377	100%
39 Victoria Street London SW1	A block of 10-storey office building	Freehold	9,104	100%
110 Park Street, Mayfair London W1	A block of 5-storey office building	125-year lease from June 1996	2,600	100%
Apollo House and Lunar House Wellesley Road, Croydon London CR9	Two office buildings of 20 and 22 storeys	Freehold	41,040	100%
67 Lombard Street London EC3V 9LJ	A block of 10-storey office building	Freehold	8,699	100%
25 Ropemaker Street London EC2	A block of 21-storey office building	Freehold	55,857	100%

ADDITIONAL
INFORMATION

AS AT 31 DECEMBER 2021

DEVELOPMENT PROPERTIES

Location	Description	Land Tenure	Stage of completion	Site area (sq m)	Gross Floor Area (sq m)	Group's effective interest
Australia						
Broadbeach, Gold Coast	Mixed use site	Freehold	–	11,342	73,723	100%
Ripley Road, Ripley	Land (577 Lots)	Freehold	Construction stage	474,000	N.A.	100%
Collingwood Drive, Brisbane	Land (323 Lots)	Freehold	Construction stage	271,540	N.A.	100%
Leakes Road, Tarneit	Land (755 Lots)	Freehold	Construction stage	597,310	N.A.	100%
Park Ridge Road, Park Ridge	Land (284 Lots)	Freehold	Development approval stage	211,600	N.A.	83.9%
Algerster Road, Calamvale	Land (49 Lots)	Freehold	Planning stage	32,100	N.A.	100%

PROPERTIES HELD FOR SALE

Location	Description	Land Tenure	Type of Development	Net Lettable/ Saleable Area (sq m)	Group's effective interest
Singapore					
Turquoise Cove Drive, Sentosa Cove	25 apartments	Leasehold – 99 years from 12 March 2007	Residential	6,721	90%
Seascape Cove way, Sentosa Cove	89 apartments	Leasehold – 99 years from 9 June 2007	Residential	22,851	50%
Cape Royale Cove way, Sentosa Cove	302 apartments	Leasehold – 99 years from 7 April 2008	Residential	64,934	35%
Australia					
Rhapsody Surfers Paradise, Gold Coast	2 apartments	Freehold	Residential	184	100%
Shanghai					
Changyuan 888 Yu Yuan Road, Shanghai	1 apartment	Leasehold – 70 years from 1 August 2001	Residential	190	100%
London					
Parliament View 1 Albert Embankment London SE 1	2 apartments	Freehold	Residential	271	100%
Goodman's Fields 37 Leman Street London E1 8EY	17 apartments	Leasehold – 999 years	Residential	708	100%
Canaletto City Road London EC1V 1AD	21 apartments	Leasehold – 999 years	Residential	1,048	100%

SHAREHOLDING STATISTICS

AS AT 28 FEBRUARY 2022

SHARE CAPITAL

Class of shares	–	Ordinary shares with equal voting rights ^a
No. of subsidiary holdings	–	Nil
Voting rights	–	On a show of hands : 1 vote for each member
	–	On a poll : 1 vote for each ordinary share

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 28 February 2022, 20.92% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	16	0.25	288	0.00
100 – 1,000	2,335	36.09	2,265,917	0.32
1,001 – 10,000	3,249	50.22	14,657,656	2.08
10,001 – 1,000,000	844	13.04	47,051,271	6.69
1,000,001 and above	26	0.40	639,362,868	90.91
	6,470	100.00	703,338,000	100.00

^a Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. As at 28 February 2022, the Company has 39,321,600 shares held as treasury shares and this represents approximately 5.92% against the total number of issued shares excluding treasury shares as at that date.

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%**
1	Ho Bee Holdings (Pte) Ltd	499,558,500	75.23
2	Raffles Nominees (Pte) Limited	17,949,103	2.70
3	DBS Nominees Pte Ltd	16,715,545	2.52
4	Citibank Nominees Singapore Pte Ltd	14,269,720	2.15
5	Phillip Securities Pte Ltd	5,901,100	0.89
6	Estate Of Chua Pin Chong, Deceased	5,783,750	0.87
7	BNP Paribas Nominees Singapore Pte Ltd	4,397,750	0.66
8	Chua Thiam Chok	4,265,000	0.64
9	Nanyang Gum Benjamin Manufacturing (Pte) Ltd	3,988,000	0.60
10	Yap Boh Sim	3,300,000	0.50
11	Chua Wee-Chern	3,004,000	0.45
12	Desmond Woon Choon Leng	2,100,000	0.32
13	Ong Chong Hua	1,920,000	0.29
14	Ho Bee Foundation	1,669,200	0.25
15	Chua Siow Ling (Cai Xiaolin) Mrs Lim-Chua Siow Ling	1,549,900	0.23
16	DB Nominees (Singapore) Pte Ltd	1,546,700	0.23
17	Kingdom Investment Holdings Pte Ltd	1,414,000	0.21
18	Maybank Securities Pte. Ltd.	1,408,400	0.21
19	Lee Seak Sung @ Lee Seak Song	1,400,800	0.21
20	Chua Wee Liong (Cai Weilong)	1,389,800	0.21
		593,531,268	89.37

** The percentage is calculated based on the number of issued ordinary shares of the Company as at 28 February 2022, excluding 39,321,600 shares held as treasury shares as at that date.

SHAREHOLDING STATISTICS

AS AT 28 FEBRUARY 2022

SUBSTANTIAL SHAREHOLDERS AS AT 28 FEBRUARY 2022

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ho Bee Holdings (Pte) Ltd	499,558,500	75.23	1,414,000 ⁽²⁾	0.21
Chua Thian Poh	–	–	501,538,750 ⁽³⁾	75.53

Notes

- ⁽¹⁾ The percentage is calculated based on the number of issued shares of the Company as at 28 February 2022, excluding 39,321,600 shares held as treasury shares as at that date.
- ⁽²⁾ Ho Bee Holdings (Pte) Ltd has a deemed interest in the 1,414,000 shares held by Kingdom Investment Holdings Pte. Ltd.
- ⁽³⁾ Mr Chua Thian Poh has a deemed interest in the 499,558,500 shares held by Ho Bee Holdings (Pte) Ltd, 1,414,000 shares held by Kingdom Investment Holdings Pte. Ltd. and 566,250 shares held by his spouse, Mdm Ng Noi Hinoy.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of Ho Bee Land Limited (the “**Company**”) will be convened and held by way of electronic means on Thursday, 21 April 2022 at 10.30 a.m. to transact the business as set out below.

This Notice has been made available on SGXNET and the Company’s website at <https://hobee.com>. Printed copies of this Notice will not be despatched to members.

ROUTINE BUSINESS

- 1

To receive and adopt the directors’ statement and audited financial statements for the financial year ended 31 December 2021 and the auditors’ report thereon.

(Resolution 1)
- 2

To declare a first and final one-tier tax exempt dividend of 10 cents per share for the financial year ended 31 December 2021.

(Resolution 2)
- 3

To approve directors’ fees of S\$491,670 for the financial year ended 31 December 2021 (2020: S\$425,000).

(Resolution 3)

[See explanatory note 1]
- 4

To re-elect Mr Ong Chong Hua, a director who will retire by rotation pursuant to Article 104 of the Company’s Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited and who, being eligible, offers himself for re-election.

(Resolution 4)

[See explanatory note 2]
- 5

To re-elect Ms Pauline Goh, a director who will cease to hold office in accordance with Article 108 of the Company’s Constitution, and who, being eligible, offers herself for re-election.

(Resolution 5)

[See explanatory note 3]
- 6

To re-elect Mr Lim Swee Say, a director who will cease to hold office in accordance with Article 108 of the Company’s Constitution, and who, being eligible, offers himself for re-election.

(Resolution 6)

[See explanatory note 4]
- 7

To re-elect Mr Nicholas Chua Wee-Chern, a director who will cease to hold office in accordance with Article 108 of the Company’s Constitution, and who, being eligible, offers himself for re-election.

(Resolution 7)

[See explanatory note 5]
- 8

To re-appoint KPMG LLP as auditors of the Company and to authorise the directors to fix their remuneration.

(Resolution 8)

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following ordinary resolutions:

9 Share issue mandate

That authority be and is hereby given to the directors of the Company to:

- (a)

(i)

issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii)

make or grant offers, agreements or options (collectively, “**instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b)

(notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the directors while this resolution was in force,

provided that:

- (1)

the aggregate number of the shares to be issued pursuant to this resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution), does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2)

(subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

- (i)

new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed; and
- (ii)

any subsequent bonus issue, consolidation or subdivision of shares,

and in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3)

in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4)

(unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 9)

[See explanatory note 6]

10 Share buyback mandate

That:

- (a)

for the purposes of Sections 76C and 76E of the Companies Act 1967 (the “**Companies Act**”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i)

on-market purchase(s) (each a “**Market Purchase**”) transacted through the trading system of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii)

off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

NOTICE OF ANNUAL GENERAL MEETING

- (b)

unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earliest of:

(i)

the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii)

the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii)

the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by shareholders in a general meeting;
- (c)

in this resolution:

“Average Closing Price” means the average of the closing market prices of a share over the last five market days on which the transactions of the shares are recorded on the SGX-ST, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchase is made;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the basis herein stated) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Highest Last Dealt Price” means the highest price transacted for a share recorded on the market day on which there were trades in the shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

“Maximum Price” in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i)

in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii)

in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price; and

“Prescribed Limit” means the number of shares representing 5% of the total number of issued shares of the Company as at the date of passing of this resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and
- (d)

the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

(Resolution 10)

[See explanatory note 7]
- 11

To transact any other business as may properly be transacted at an annual general meeting.

By Order of the Board
Nicholas Chua Wee-Chern
Executive Director
Chief Executive Officer
25 March 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES AND STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY’S CONSTITUTION

- 1

Resolution 3 is to seek approval for the payment of a total sum of S\$491,670 as directors’ fees for the financial year ended 31 December 2021 to be paid to the non-executive directors.
- 2

Mr Ong Chong Hua is an executive director and the chief operating officer. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr Ong is set out in the sections “Board of Directors” and “Corporate Governance” in the Annual Report and “Additional Information on Directors Seeking Re-election” in this Notice.
- 3

Ms Pauline Goh is an independent director and a member of the Audit and Risk Committee and the Remuneration Committee. Upon her re-election as a director, she will continue in the said capacities. Detailed information on Ms Goh is set out in the sections “Board of Directors” and “Corporate Governance” in the Annual Report and “Additional Information on Directors Seeking Re-election” in this Notice.
- 4

Mr Lim Swee Say is the lead independent director, a member of the Audit and Risk Committee and the Nominating Committee. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr Lim is set out in the sections “Board of Directors” and “Corporate Governance” in the Annual Report and “Additional Information on Directors Seeking Re-election” in this Notice.
- 5

Mr Nicholas Chua Wee-Chern is an executive director and the chief executive officer. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr Chua is set out in the sections “Board of Directors” and “Corporate Governance” in the Annual Report and “Additional Information on Directors Seeking Re-election” in this Notice.
- 6

Resolution 9 is to empower the directors from the date of this resolution being passed until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares or to make or grant instruments convertible into shares, and to issue shares in pursuance of such instruments. The maximum number of shares and instruments which the directors may issue shall not exceed the quantum set out in this resolution.
- 7

Resolution 10 is to renew the Share Buyback Mandate, which was originally approved by shareholders on 29 April 2008 and was last renewed at the annual general meeting of the Company held on 28 April 2021. Please refer to the Letter to Shareholders dated 25 March 2022 for more details.

RECORD DATE AND PAYMENT DATE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that subject to shareholders of Ho Bee Land Limited (the **“Company”**) approving the proposed payment of a first and final one-tier tax exempt dividend of 10 cents per share for the financial year ended 31 December 2021 (**“Dividend”**) at the Annual General Meeting to be held on 21 April 2022, the Register of Members and the Share Transfer Books of the Company will be closed at 5.00 p.m. on 10 May 2022 for the purpose of determining shareholders’ entitlements to the Dividend.

Duly completed registrable transfers received by the Company’s Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 10 May 2022 will be registered before entitlements to the Dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 May 2022 will be entitled to the Dividend.

The Dividend, if approved by shareholders of the Company, will be paid on 20 May 2022.

NOTICE OF ANNUAL GENERAL MEETING

NOTES

- 1

The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 2

To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the Annual General Meeting in person. Members will be able to watch the proceedings of the Annual General Meeting through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 10.30 a.m. on 18 April 2022 at <https://registration.ryt-poll.com/home/index/hobee-agm>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Annual General Meeting by 3.00 p.m. on 20 April 2022. Members who do not receive an email by 3.00 p.m. on 20 April 2022 should contact Complete Corporate Services Pte Ltd, by email at hobee-agm@ryt-poll.com.
- 3

Members may submit questions relating to the resolutions to be tabled for approval at the Annual General Meeting. To do so, all questions must be submitted by 10.30 a.m. on 8 April 2022:

(a)

via the pre-registration website at <https://registration.ryt-poll.com/home/index/hobee-agm>;

(b)

in hard copy by post to Ho Bee Land Limited c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

(c)

by email to hobee-agm@ryt-poll.com.
- Please note that members will not be able to ask questions at the Annual General Meeting "live" during the "live" webcast or "live" audio feed. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the Annual General Meeting as received from members no later than 10.30 a.m. on 15 April 2022 via SGXNET and the Company's website at <https://hobee.com>. In the event that subsequent questions are received after 10.30 a.m. on 8 April 2022, such questions may be addressed at the general meeting.
- 4

Members (whether individuals or corporates) who wish to exercise their voting rights at the Annual General Meeting must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in respect of each resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/ SRS Operators to submit their votes at least 7 working days before the date of the meeting (i.e. by 5.00 p.m. on 8 April 2022).
- 5

The Chairman of the Meeting, as proxy, need not be a member of the Company.
- 6

The instrument appointing the Chairman of the Meeting as proxy must:

(a)

if sent by post, be received at Ho Bee Land Limited c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903;

(b)

if submitted by email, be received by Complete Corporate Services Pte Ltd at hobee-agm@ryt-poll.com; or

(c)

if submitted through the registration website, be received via <https://registration.ryt-poll.com/home/index/hobee-agm>.

in either case, by no later than 10.30 a.m. on 18 April 2022, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms via email.

NOTICE OF ANNUAL GENERAL MEETING

- 7

The Annual Report for the financial year ended 31 December 2021 and the Letter to Shareholders dated 25 March 2022 in relation to the proposed renewal of the Share Buyback Mandate have been made available on SGXNET and may be accessed at the Company's website as follows:

(a)

the Annual Report at <https://hobee.com/investor-relations/annual-reports/>; and

(b)

the Letter to Shareholders at <https://hobee.com/investor-relations/agm-addendum/>.

IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to check the Company's website or announcements released on SGXNET for the latest updates on the Annual General Meeting.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the Annual General Meeting in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i)

processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof);
- (ii)

processing of the pre-registration for purposes of granting access to members to the "live" webcast or "live" audio feed of the Annual General Meeting proceedings and providing them with any technical assistance where necessary;
- (iii)

addressing substantial and relevant questions from members received before the Annual General Meeting and if necessary, following up with the relevant members in relation to such questions;
- (iv)

preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof); and
- (v)

enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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

The following table sets out the additional information on directors seeking re-appointment/re-election at the 34th Annual General Meeting pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

	ONG CHONG HUA
Date of appointment	11 August 1995
Date of last re-appointment (if applicable)	30 April 2019
Age	67
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the NC’s recommendation for the re-appointment of Mr Ong.
Whether appointment is executive, and if so, the area of responsibility	Yes Mr Ong is an Executive Director and Chief Operating Officer (“COO”) of the Company.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	- Executive Director - COO
Professional qualifications	Master’s Degree in Town and Regional Planning
Working experience and occupation(s) during the past 10 years	Mr Ong has been an executive director of the Company for the past 10 years. Mr Ong also holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company.
Shareholding interest in the listed issuer and its subsidiaries	Refer to the Directors’ statement on page 80 of Annual Report.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

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

PAULINE GOH	LIM SWEE SAY	NICHOLAS CHUA
29 April 2021	1 October 2021	1 January 2022
Not applicable	Not applicable	Not applicable
63	66	46
Singapore	Singapore	Singapore
The Board concurred with the NC’s recommendation for the re-election of Ms Goh.	The Board concurred with the NC’s recommendation for the re-election of Mr Lim.	The Board concurred with the NC’s recommendation for the re-election of Mr Chua.
No	No	Yes Mr Chua is an Executive Director and Chief Executive Officer (“CEO”) of the Company.
- Independent Non-Executive Director - Member of the Audit and Risk Committee - Member of the Remuneration Committee	- Lead Independent Director - Member of the Audit and Risk Committee - Member of the Nominating Committee	- Executive Director - CEO
Bachelor of Science (Estate Management) Fellow, Singapore Institute of Surveyors and Valuers (SISV) Fellow, The Royal Institution of Chartered Surveyors	Master’s Degree in Management First Class Honours degree in Electronics, Computer and Systems Engineering	Bachelor of Science in Finance and Marketing
Ms Goh is currently CBRE’s Chairman of Southeast Asia. Over her 38-year career at CBRE in Singapore, Ms Goh has assumed several leadership roles, in which she steadily built the CBRE brand into the leading real estate services firm across Southeast Asia today.	Mr Lim joined the Labour Movement in 1996 and entered politics in 1997 to serve in various capacities including Minister of State for Trade and Industry, Minister of State for Communication and Information Technology, Minister for Environment, Second Minister for National Development, Minister in Prime Minister Office and Minister for Manpower. He stepped down from the Cabinet in May 2018 and retired from politics as a member of the Parliament of Singapore in 2020.	Mr Chua joined the Group in 2002 and held several senior management positions before being appointed as the Deputy CEO in 2018. Over the past 20 years, Mr Chua has overseen and spearheaded the expansion of the Group’s development footprint in Australia and China, as well as the growth of investment portfolio in Europe and the United Kingdom. Mr Chua also holds directorships in a number of related corporations, associated companies and jointly controlled entities of the Company.
NIL	NIL	Refer to the Directors’ statement on page 80 of Annual Report.
No	No	Son of Dr Chua Thian Poh, Executive Chairman and controlling shareholder of the Company.

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

ONG CHONG HUA		
Conflict of interest (including any competing business)	No	
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	
Other principal commitments, including directorships		
Past (for the last 5 years)	No	
Present	(1)	Kingdom Investment Holdings Pte. Ltd. (Director)
	(2)	FNA Group International Pte. Ltd. (Director)
	(3)	Focus Network Agencies (Singapore) Pte. Ltd. (Director)

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

PAULINE GOH		LIM SWEE SAY		NICHOLAS CHUA	
No		No		No	
Yes		Yes		Yes	
No		No		No	
(1)	CBRE Pte Ltd (Managing Director and Chairman, South East Asia)	(1)	Singapore Telecommunications Ltd (Independent Director)	(1)	Absolutecar E-Services Pte. Ltd. (Director)
(2)	CBRE Realty Associates Pte Ltd (Director)	(2)	Tat Seng Packaging Group Ltd (Independent Director)	(2)	Absolutecar Services Pte. Ltd. (Director)
(3)	CBRE (Vietnam) Co Ltd (Director and Chairman)	(3)	National Trades Union Congress (NTUC) (Trustee)	(3)	Chua Foundation (Chairman)
(4)	CBRE Asean Holdings Ltd (Director)	(4)	NTUC-Administration & Research Unit Board of Trustees (Chairman)	(4)	One Hill Capital Pte. Ltd. (Director)
(5)	Hathi Cre Holdings Co Ltd (Director)	(5)	Singapore Labour Foundation (Deputy Chairman)	(5)	One Hill Holdings Pte. Ltd. (Director)
(6)	Hicre Holdings Co Ltd (Director)	(6)	Ong Teng Cheong Institute (Governor)	(6)	One Hill Trust Pte. Ltd. (Director)
(7)	WTW Real Estate Sdn Bhd (Director)	(7)	Nanyang Technological University, Nanyang Centre of Public Administration (Adjunct Professor)		
(8)	WTW Property Services Sdn Bhd (Director)	(8)	NTUC Enterprise Co-operative Ltd (Adviser)		
(9)	C H Williams, Talhar & Wong Sdn Bhd (Director)	(9)	NTUC (Adviser)		
(10)	NUS Department of Real Estate (Department Consultative Committee Member)				
(11)	Archdiocesan Land & Properties Singapore (Member and Chair)				
(12)	Eldercare Trust Of NTUC Health Co- Operative Ltd (Trustee)				
(13)	Asia Philanthropic Ventures Pte Ltd (Director)				
(14)	Singapore Institute Of Directors (Director)				
(15)	Real Estate Developers' Association Of Singapore (REDAS) (Honorary Real Estate Consultancy Advisor)				
(16)	Singapore Prison Service – Institutional Discipline Advisory Committee (Committee Member)				
(17)	Ngee Ann Polytechnic Council (Council Member)				
(18)	Catholic Foundation Limited (Director)				

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

		ONG CHONG HUA	PAULINE GOH	LIM SWEE SAY	NICHOLAS CHUA
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

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

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

	ONG CHONG HUA
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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

PAULINE GOH	LIM SWEE SAY	NICHOLAS CHUA
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No



HO BEE LAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198702381M

ANNUAL GENERAL MEETING PROXY FORM

This form of proxy has been made available on SGXNET and the Company's website at <https://hobee.com> and may be accessed at <https://registration.ryt-poll.com/home/index/hobee-agm>. Printed copies of this form of proxy will not be despatched to members.

IMPORTANT

1. To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the Annual General Meeting in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting for that resolution will be treated as invalid.
2. For CPF/SRS investors who have used their CPF/SRS moneys to buy shares in Ho Bee Land Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes at least 7 working days before the date of the meeting (i.e. by 5.00 p.m. on 8 April 2022).
3. By submitting an instrument appointing the Chairman of the Meeting as proxy, a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25 March 2022.

I/ _____ (Name), _____ (NRIC/Passport/Co. Reg. No.)
of _____ (Address)
being a member/members of Ho Bee Land Limited (the "**Company**") hereby appoint:

The Chairman of the Meeting

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the 34th Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on Thursday, 21 April 2022 at 10.30 a.m. and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for, against and/or to abstain from voting on the resolutions to be proposed at the AGM as indicated below. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as my/our proxy for that resolution will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish the Chairman of the Meeting as your proxy to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided below.)

Ordinary Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Routine Business			
Resolution 1: To receive and adopt the directors' statement and audited financial statements for the financial year ended 31 December 2021 and the auditors' report thereon.			
Resolution 2: To declare a first and final one-tier tax exempt dividend of 10 cents per share for the financial year ended 31 December 2021.			
Resolution 3: To approve directors' fees of S\$491,670 for the financial year ended 31 December 2021 (2020: S\$425,000).			
Resolution 4: To re- elect Mr Ong Chong Hua as director.			
Resolution 5: To re-elect Ms Pauline Goh as director.			
Resolution 6: To re-elect Mr Lim Swee Say as director.			
Resolution 7: To re-elect Mr Nicholas Chua Wee-Chern as director.			
Resolution 8: To re-appoint KPMG LLP as auditors and to authorise the directors to fix their remuneration.			
Special Business			
Resolution 9: To approve the authority to issue shares and make or grant instruments convertible into shares.			
Resolution 10: To approve the renewal of the Share Buyback Mandate.			

Dated this _____ day of _____ 2022.

Total Number of Ordinary Shares Held (Note 1)	
--	--

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

HO BEE LAND LIMITED
PROXY FORM
Annual General Meeting

Affix
Postage
Stamp

HO BEE LAND LIMITED
 c/o Complete Corporate Services Pte Ltd
 10 Anson Road
 #29-07 International Plaza
 Singapore 079903

1st fold here

NOTES TO PROXY FORM

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the instrument of proxy, failing which the appointment of the Chairman of the Meeting for that resolution will be treated as invalid.
- 3 The Chairman of the Meeting, as proxy, need not be a member of the Company.
- 4 The instrument appointing the Chairman of the Meeting as proxy must:
 - (a) if sent by post, be received at Ho Bee Land Limited c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903;
 - (b) if submitted by email, be received by Complete Corporate Services Pte Ltd at hobee-agm@ryt-poll.com; or
 - (c) if submitted through the registration website, be received via <https://registration.ryt-poll.com/home/index/hobee-agm>.

in either case, by no later than 10.30 a.m. on 18 April 2022, and in default the instrument of proxy shall not be treated as valid.

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A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms via email.

- 5 The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised.
- 6 Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
- 7 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHUA THIAN POH

Executive Chairman

NICHOLAS CHUA

Executive Director
Chief Executive Officer

ONG CHONG HUA

Executive Director
Chief Operating Officer

LIM SWEE SAY

Lead Independent Director

KO KHENG HWA

Independent Non-Executive Director

JOSEPHINE CHOO

Independent Non-Executive Director

SEOW CHOKE MENG

Independent Non-Executive Director

PAULINE GOH

Independent Non-Executive Director

BOBBY CHIN

Non-Independent Non-Executive
Director

MANAGEMENT TEAM

CHONG HOCK CHANG

Group Director, Projects and Marketing

MICHAEL VINODOLAC

Chief Executive Officer, Australia

JOSEPHINE LEE

Finance Director

LOH LEE HONG

General Manager,
Sales and Marketing

KATHARINE KUM

General Manager,
Projects and Property Management

AUDIT & RISK COMMITTEE

KO KHENG HWA

Chairman

LIM SWEE SAY

JOSEPHINE CHOO

PAULINE GOH

BOBBY CHIN

NOMINATING COMMITTEE

JOSEPHINE CHOO

Chairman

CHUA THIAN POH

LIM SWEE SAY

SEOW CHOKE MENG

BOBBY CHIN

REMUNERATION COMMITTEE

SEOW CHOKE MENG

Chairman

KO KHENG HWA

PAULINE GOH

BOBBY CHIN

COMPANY SECRETARY

WINCE FUNG

COMPANY REGISTRATION NO.

198702381M

REGISTERED OFFICE

9 North Buona Vista Drive
#11-01 The Metropolis Tower 1
Singapore 138588
Tel: (65) 6704 0888
Fax: (65) 6704 0800
Website: <https://hobee.com>

SHARE REGISTRAR

M & C Services Private Limited

112 Robinson Road #05-01
Singapore 068902

EXTERNAL AUDITORS

KPMG LLP

Public Accountants and Chartered
Accountants Singapore
Partner-In-Charge:
Ms Shelly Chan Hoi Yi (since 2020)
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

INTERNAL AUDITORS

Nexia TS Risk Advisory Pte. Ltd.

80 Robinson Road #25-00
Singapore 068898



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Ho Bee Land's
Annual Report



HO BEE LAND LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198702381M)

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