IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be (i) a U.S. person (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) or (ii) located within the United States. The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not located in the United States nor a U.S. person, as defined in Regulation S under the Securities Act nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting the e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either (i) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Ho Bee Land Limited, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any differences between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Ho Bee Land Limited or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Ho Bee Land Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by email, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC COMMUNICATION AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INFORMATION MEMORANDUM DATED 26 JUNE 2024

Ho Bee Land Limited

(Incorporated in the Republic of Singapore on 8 August 1987)
(UEN/Company Registration No. 198702381M)

S$800,000,000
Multicurrency Medium Term Note Programme

Under the Multicurrency Medium Term Note Programme described in this Information Memorandum (the "**Programme**"), Ho Bee Land Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The maximum aggregate principal amount of Notes from time to time outstanding under the Programme will not at any time exceed S$800,000,000 (or its equivalent in other currencies), subject to increase as described herein.

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**") under the Securities and Futures Act 2001 of Singapore (the "**SFA**"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes to be issued from time to time by the Issuer pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval-in-principle from, admission to the Official List of, and the listing and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

Potential investors should pay attention to the risk factors and considerations set out in the section on "Risks Factors".

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by Ho Bee Land Limited (the "**Issuer**") to arrange the S$800,000,000 Multicurrency Medium Term Note Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries, the Programme and the Notes. The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Notes, that the information contained herein is true and accurate in all material respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section on "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. Each series or tranche of Notes may initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein), which will be deposited on the relevant issue date with either CDP (as defined herein), a common depositary on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A ("**Clearstream, Luxembourg**") and/or other clearing system, and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Note (as indicated in the applicable Pricing Supplement). Subject to compliance with all relevant laws, regulations and directives, the Notes will have maturities of such tenor as may be agreed between the Issuer and the Relevant Dealer (as defined herein) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the Relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to below) shall be S$800,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this

Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions or restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the U.S. and include Notes in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the Relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are institutional investors (as defined in Section 4A of the SFA) or accredited investors (as defined in Section 4A of the SFA) and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the Relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof (including copies thereof) in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, subscription, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented. Nothing herein is or may be relied upon as, a promise or representation of the Issuer's future performance or policies.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, the Dealers or any of their respective directors, officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, its subsidiaries or associated companies (if any). Further, none of the Arranger or the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective subscriber or purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers or any of their respective directors, officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports or audited or unaudited consolidated financial statements of the Issuer and its subsidiaries and associated companies (if any), and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein). Copies of the documents listed in (1) above which are deemed to be incorporated by reference in this Information Memorandum may be obtained at the SGX-ST's website at https://www.sgx.com.

Website(s) referenced in this Information Memorandum are intended as guides as to where other public information relating to the Issuer, its subsidiaries and associated companies (if any) may be obtained free of charge. Unless otherwise incorporated by reference, information appearing on such website(s) does not form part of this Information Memorandum or any applicable Pricing Supplement and none of the Issuer, any of its subsidiaries or associated companies (if any), the Arranger or any of the Dealers accepts any responsibility whatsoever that such information, if available, is accurate and/or up to date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for or purchase any of the Notes.

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Any subscription, purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the subscription, purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

In connection with the issue of any tranche or series of Notes, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Notes and 60 days after the date of the allotment of the relevant series of Notes. Any stabilisation action will be conducted in accordance with the law.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 119 to 127 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal, financial, tax and other advisers before subscribing for, purchasing or acquiring the Notes.

Prospective purchasers of any of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of Notes.

Prospective investors should pay attention to the risk factors set out in the section on "Risk Factors".

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

NON-SFRS(I) FINANCIAL MEASURES

EBIT as presented in this Information Memorandum is a supplemental measure of the performance and liquidity of the Issuer and the Group that is not required by, or presented in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). EBIT in this Information Memorandum is based on a measure of the Issuer's and the Group's adjusted profit/(loss) for the year after non-controlling interests, before net finance costs, income tax expense, and fair value changes. EBIT is not a measurement of financial performance or liquidity under SFRS(I) and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with SFRS(I) or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBIT is not a standardised term, hence a direct comparison between companies using such terms may not be possible. EBIT has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group, as reported under SFRS(I). Because of these limitations, EBIT should not be considered as a measure of discretionary cash available to invest in the growth of the Issuer and the Group's business.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions, as well as the legal and regulatory environment;
- changes in currency exchange and interest rates;
- demographic changes;
- climate change;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section on "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any Notes shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer, its associated companies (if any), the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Group, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The Agency Agreement dated 12 May 2010 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) DBS Trustee Limited, as trustee, as amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arranger**"	:	DBS Bank Ltd.
"**Board**"	:	Board of Directors of the Issuer.
"**Business Day**"	:	A day (other than Saturday or Sunday) on which commercial banks are open for business in Singapore.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**China**"	:	People's Republic of China.
"**Common Depositary**"	:	In relation to a Series of the Notes, a depositary common to Euroclear and Clearstream, Luxembourg.
"**Companies Act**"	:	Companies Act 1967 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.

“**Definitive Note**”	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
“**Directors**”	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
“**FY**”	:	Financial year ended 31 December.
“**Global Note**”	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
“**Group**”	:	The Issuer and its subsidiaries.
“**IRAS**”	:	Inland Revenue Authority of Singapore.
“**Issuer**”	:	Ho Bee Land Limited.
“**Issuing and Paying Agent**”	:	DBS Bank Ltd.
“**ITA**”	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“**Latest Practicable Date**”	:	20 June 2024.
“**MAS**”	:	The Monetary Authority of Singapore.
“**Noteholders**”	:	The holders of the Notes.
“**Notes**”	:	The notes issued or to be issued by the Issuer under the Programme.
“**Permanent Global Note**”	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
“**Pricing Supplement**”	:	In relation to a Series or Tranche, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Series or, as the case may be, Tranche.
“**Programme**”	:	The S$800,000,000 Multicurrency Medium Term Note Programme of the Issuer.

"**Programme Agreement**"	:	The Programme Agreement dated 12 May 2010 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended and restated by an amendment and restatement programme agreement dated 26 June 2024 made between the same parties and further as amended, restated or supplemented from time to time.
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 12 May 2010 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended and supplemented by a supplemental trust deed dated 21 October 2016 made between the same parties and further as amended, restated or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited.
"**UK**"	:	United Kingdom.
"**United States**" or "**U.S.**"	:	United States of America.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.

"**US$**" or "**US dollars**"	:	United States dollars.
"**£**" or "**p**"	:	Pounds sterling and pence respectively.
"**%**"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Dr Chua Thian Poh Mr Nicholas Chua Wee-Chern Mr Ong Chong Hua Mr Lim Swee Say Mr Ko Kheng Hwa Ms Josephine Choo Poh Hua Mr Seow Choke Meng Ms Pauline Goh Mr Bobby Chin Yoke Choong
Company Secretary	:	Mr Li Xiangrun
Registered Office	:	9 North Buona Vista Drive #11-01 The Metropolis Tower 1 Singapore 138588
Auditors	:	KPMG LLP 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961
Arranger of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Issuing and Paying Agent and Agent Bank	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Noteholders	:	DBS Trustee Limited 12 Marina Boulevard Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed and the relevant Pricing Supplement.

Issuer	:	Ho Bee Land Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the terms of the Programme Agreement.
Issuing and Paying Agent and Agent Bank	:	DBS Bank Ltd.
Trustee	:	DBS Trustee Limited.
Description	:	Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$800,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the Relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of such tenor as may be agreed between the Issuer and the Relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the Relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the Relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the Relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the Relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the Relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the Relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the Relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the Relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the Relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the Relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Negative Pledge : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security on or over their respective present or future assets (unless at the same time or prior thereto (i) such security is extended equally and rateably to the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed or (ii) the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed have the benefit of such other security or other arrangement as shall be approved by the Noteholders by way of Extraordinary Resolution (as defined in the Trust Deed)), save for:

(i) liens or rights of set-off arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (aa) has been due for less than 14 days or (bb) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by the security over such asset at any time shall not exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

(iii) any security over any of its assets acquired, developed, renovated or refurbished by it after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition, development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment; and

(iv) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that: (i) the Consolidated Tangible Net Worth (as defined in the Trust Deed) shall not at any time be less than S$1,500,000,000; (ii) the ratio of Consolidated Total Liabilities (Net of Cash) (as defined in the Trust Deed) to Consolidated Tangible Net Worth shall not at any time be more than 1.5:1; and (iii) the ratio of Consolidated Secured Debt (as defined in the Trust Deed) to Consolidated Total Assets (as defined in the Trust Deed) shall not at any time exceed 0.55:1.
Non-disposal Covenant	:	The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.29 of the Trust Deed, is substantial in relation to its assets, or those of itself and the Principal Subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.29 of the Trust Deed: (i) disposals in the ordinary course of business; (ii) any disposal of assets on normal commercial terms which are obsolete, excess or no longer required for the purpose of its business; (iii) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis; (iv) any exchange of assets for other assets of a similar nature and value and cash;

(v) any transfer of assets to any real estate investment trust or business trust, property fund or any other entity in which any member of the Group would at all times own beneficially (whether directly and/or indirectly) in aggregate at least 51 per cent. of the interest, units in or, as the case may be, shares in the issued share capital of such real estate investment trust or business trust, property fund or entity, provided that such transfers are conducted on an arm's length basis and on normal commercial terms; and

(vi) any disposal which the Noteholders by way of an Extraordinary Resolution shall have agreed shall not be taken into account.

Optional Redemption pursuant to Change of Shareholding Event : If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount (as defined in the Trust Deed), together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day (as defined in Condition 4), on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this paragraph:

(i) a "**Change of Shareholding Event**" occurs when Mr Chua Thian Poh and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 51 per cent. of the issued share capital of the Issuer; and

(ii) "**Immediate Family Members**" means Mr Chua Thian Poh's father, mother, siblings, wife, son(s) and daughter(s).

Events of Default : See Condition 9 of the Notes.

Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the Relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the Relevant Dealer(s), subject to all necessary approvals having been obtained.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" below. Further restrictions may apply in connection with any particular Series or Tranche of Notes. Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act. Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S.Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.
Governing Law	:	The Programme and any Notes issued under the Programme shall be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed dated 12 May 2010 made between (1) Ho Bee Land Limited (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and supplemented by a supplemental trust deed dated 21 October 2016 made between (1) the Issuer and (2) the Trustee, and as further amended and supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 12 May 2010, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 12 May 2010 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), (3) DBS Bank Ltd., as agent bank (in such capacity, the "**Agent Bank**"), and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of such Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of such Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by such Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Negative Pledge and Other Covenants

(a) The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security on or over their respective present or future assets (unless at the same time or prior thereto (i) such security is extended equally and rateably to the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed or (ii) the obligations of the Issuer in respect of the Notes, the Coupons and the Trust Deed have the benefit of such other security or other arrangement as shall be approved by the Noteholders by way of Extraordinary Resolution (as defined in the Trust Deed)), save for:

(1) liens or rights of set-off arising in the ordinary course of its business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (aa) has been due for less than 14 days or (bb) is being contested in good faith and by appropriate means;

(2) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by the security

over such asset at any time shall not exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

(3) any security over any of its assets acquired, developed, renovated or refurbished by it after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition, development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment; and

(4) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$1,500,000,000;

(ii) the ratio of Consolidated Total Liabilities (Net of Cash) to Consolidated Tangible Net Worth shall not at any time be more than 1.5:1; and

(iii) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.55:1.

(c) Non-disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.29 of the Trust Deed, is substantial in relation to its assets, or those of itself and the Principal Subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.29 of the Trust Deed:

(i) disposals in the ordinary course of business;

(ii) any disposal of assets on normal commercial terms which are obsolete, excess or no longer required for the purpose of its business;

(iii) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;

(iv) any exchange of assets for other assets of a similar nature and value and cash;

(v) any transfer of assets to any real estate investment trust or business trust, property fund or any other entity in which any member of the Group would at all times own beneficially (whether directly and/or indirectly) in aggregate at least 51 per cent. of the interest, units in or, as the case may be, shares in the issued share capital of such real estate investment trust or business trust, property fund or entity, provided that such transfers are conducted on an arm's length basis and on normal commercial terms; and

(vi) any disposal which the Noteholders by way of an Extraordinary Resolution shall have agreed shall not be taken into account.

For the purposes of this Condition:

(1) "**Consolidated Secured Debt**" means, at any particular time, the portion of Consolidated Total Liabilities secured by any security interest over any asset of the Group;

(2) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(bb) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(I) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (bb) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(II) excluding any sums set aside for future taxation; and

(III) deducting:

(A) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(B) all goodwill and other intangible assets; and

(C) any debit balances on consolidated profit and loss account;

(3) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore;

(4) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) bank overdrafts and all other indebtedness in respect of any bank borrowings;

(bb) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(cc) the liabilities of the Issuer under the Trust Deed or the Notes;

(dd) all other indebtedness whatsoever of the Group for borrowed moneys; and

(ee) any redeemable preference shares issued by any member of the Group (other than those shares which are regarded as equity as reflected in the Group's latest audited consolidated balance sheet),

where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation;

(5) "**Consolidated Total Liabilities**" means the aggregate of Consolidated Total Borrowings plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including:

(aa) current creditors, proposed dividends and taxation payable within 12 months;

(bb) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;

(cc) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;

(dd) all actual and contingent liabilities of whatsoever nature of any member of the Group including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including the par value of any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;

(ee) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms, or provision of funds in support of obligations of third parties and similar transactions in relation to any property (other than land), and any other amounts due to creditors other than current creditors (other than in relation to land);

(ff) amounts standing to the credit of any deferred tax account or tax equalisation reserve; and

(gg) any amount proposed to be distributed to shareholders (other than any member of the Group),

Provided that no liabilities shall be included in a calculation of Consolidated Total Liabilities more than once; and

(6) "**Consolidated Total Liabilities (Net of Cash)**" means Consolidated Total Liabilities less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore).

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 4(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

In these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select, and as adjusted by the Spread (if any); and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any);

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(**III**) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day, or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning (and including) on the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount shown on its face on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation.

The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders'

Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 5(e)(ii):

(1) a "**Change of Shareholding Event**" occurs when Mr Chua Thian Poh and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 51 per cent. of the issued share capital of the Issuer; and

(2) "**Immediate Family Members**" means Mr Chua Thian Poh's father, mother, siblings, wife, son(s) and daughter(s).

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its Subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant Subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal (which shall include the Redemption Amount and the Early Redemption Amount) and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or having a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) or (in the case of Zero Coupon Notes) the Early Redemption Amounts on, or any interest on, any Notes of any Series when due and such default continues for three business days;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not remedied within 30 days after notice of such default shall have been given by the Trustee to the Issuer;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is, in the opinion of the Trustee, capable of remedy, it is not remedied within 30 days after notice thereof shall have been given by the Trustee to the Issuer;

(d) (i) any other present or future indebtedness of the Issuer or any of the Principal Subsidiaries in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period in any agreement relating to that indebtedness; or

(ii) the Issuer or any of the Principal Subsidiaries fails to pay when due or expressed to be due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised.

However, no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S$25,000,000 or its equivalent in other currencies;

(e) the Issuer or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the assets of the Issuer or any of the Principal Subsidiaries becomes enforceable;

(h) any meeting is convened, any order is made, any resolution is passed or any petition is presented for the winding-up of the Issuer or any of the Principal Subsidiaries (except, in the case of a Principal Subsidiary only, (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or transfer of assets to a Subsidiary of the Issuer and such event is not likely to have a material adverse effect on the Issuer, (ii) for a voluntary winding-up of such Principal Subsidiary not involving insolvency and such event is not likely to have a material adverse effect on the Issuer or (iii) on terms approved before such event occurs by the Noteholders by way of Extraordinary Resolution) or any step is taken by any person for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of the Principal Subsidiaries or over any material part of the assets of the Issuer or any of the Principal Subsidiaries;

(i) the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any material part of its property or assets (except (i) in the case of a Principal Subsidiary only, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation or transfer of assets to a Subsidiary of the Issuer where such event is not likely to have a material adverse effect on the Issuer, (ii) on terms approved before such event occurs by the Noteholders by way of Extraordinary Resolution or (iii) as permitted by, and in accordance with, the provisions of the Trust Deed);

(j) any order is made by any agency of any state with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of the Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature) against the Issuer or any of the Principal Subsidiaries is current or pending (1) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (2) which has or is reasonably likely to have a material adverse effect on the Issuer or the Group taken as a whole;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions:

(1) "**Principal Subsidiaries**" means any Subsidiary of the Issuer:

(aa) whose profits before tax and minority interests, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the consolidated profits before tax and minority interests of the Group as shown by such audited consolidated accounts; or

(bb) whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax and minority interests or (as the case may be) total assets as shown by the accounts of such Subsidiary (consolidated (if any) in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated profits before tax and minority interests or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors, who shall also be responsible for reviewing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**Subsidiary**" has the meaning ascribed to it in the Trust Deed.

10. Enforcement of Rights

At any time an Event of Default shall have occurred (and which has not been waived or remedied), the Trustee may (but is not obliged to), at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all losses, liabilities, costs, charges, demands and expenses (including legal fees) which may be incurred by it in connection therewith. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and upon being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early

Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable thereafter and in any event within 21 days of such modification.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its related corporations or affiliates without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

The Trust Deed also provides that each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on any Stock Exchange and the rules of such Stock Exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two business days after being sent.

16. Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce or enjoy any benefit under any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Issuing and Paying Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B), DBS Asia Gateway
Singapore 608838

THE ISSUER

A. OVERVIEW AND HISTORY

The Issuer is a property investment and property development company as well as an investment holding company headquartered in Singapore. The Issuer was incorporated in Singapore under the Companies Act on 8 August 1987 with the name "Ho Bee Investment Pte Ltd" as a private limited company. The Issuer was established by its founder Dr Chua Thian Poh, the Executive Chairman of the Group. The Issuer's name was changed to "Ho Bee Investment Ltd" on 15 November 1999 in connection with its conversion to a public company limited by shares and its shares were listed on the Main Board of the SGX-ST on 2 December 1999. Following a rebranding exercise, the Issuer was renamed "Ho Bee Land Limited" on 23 October 2013 to better reflect the Group's positioning in the real estate industry as an international developer with property investments and developments in Singapore, the UK, Australia, China and Germany. The Issuer's registered office is presently located at 9 North Buona Vista Drive, #11-01, The Metropolis Tower 1, Singapore 138588.

The market capitalisation of the Issuer is S$1.23 billion as at the Latest Practicable Date.

Backed by a long history of accomplishments since its incorporation in 1987, the Group, whose principal activities are property investment and property development, has established itself as a reputable, long-standing household name that has managed and invested in high quality commercial properties in Singapore and the United Kingdom, as well as developed numerous quality residential, commercial, life sciences business park and industrial projects spanning across Singapore, the UK, Australia, China and Germany. As at 31 December 2023, the Group holds a total of 27 investment and development properties with total assets of S$6.976 billion. Of these, the investment portfolio covers 3.50 million sq.ft. of total lettable area, with a value of S$5.61 billion.

With its strategic pivot towards commercial properties, the Group has since built a portfolio of high-quality commercial properties in Singapore and the United Kingdom, which provided the Group with a diversification of its revenue streams and allowed the Group to grow a resilient stream of recurring revenue through rental income and service charges. The Group's total revenue from rental income and service charges from its investment and development properties for FY2023 was S$255.8 million. In addition to the recurring rental income, the Group has property developments in Australia and Singapore, which contributed S$189.1 million in revenue for FY2023.

The table below sets out the summary of some of the major events in the corporate activities of the Group.

Year	Event
1987	The Issuer was incorporated.
1996	The Group made a strategic move to grow its business overseas with its first foray into London.
1999	The Issuer was listed on the Singapore Exchange.
2002	Acting to seize opportunities emerging from the phenomenal growth in the China market, the Group made its first investments in the key city of Shanghai.

Year	Event
2003	The Issuer became the pioneer developer in the exclusive residential enclave of Sentosa Cove, Singapore, eventually becoming the biggest developer in Sentosa Cove and building a total of eight high-end condominiums, terrace houses and luxurious villas.
2009	The Group started collaborating with Yanlord Land Group ("**Yanlord**") to undertake the joint developments of high-end residential projects in China.
2010	The Group was named in Forbes Asia's "Best Under a Billion" 2010 listing.
2011	The Group embarked on a 1.2 million sq.ft. office development, *The Metropolis* at one-north, Singapore as part of its strategic move to build up its recurrent income. The Metropolis was subsequently completed in 2013.
2012	The Group diversified into Australia by acquiring two prime residential sites in Gold Coast, and subsequently one residential site in Doncaster, Melbourne.
2013	The Group started to build up its portfolio of office investments in London through the acquisition of Rose Court. The property was subsequently divested in 2017.
2014	The Group acquired two more offices in London, 1 St Martin's Le Grand and 60 St Martin's Lane.
2015	The Group added three offices, *39 Victoria Street*, *110 Park Street* and *Apollo and Lunar House* in London, to its commercial portfolio.
2017	The Group acquired Emmatown Properties Ltd, which owns 67 Lombard Street, a Grade A commercial building, located at a prime location in the core of City of London.
2018	The Group purchased all of the ordinary shares representing the entire issued share capital of Frasia Properties S.à.r.l, the owner of Ropemaker Place, a 21-storey Grade A office building situated in London. The acquisition forms part of the Group's strategy to diversify overseas and grow its recurrent income base.
2020	The Group won a tender to develop a biomedical sciences development on a site that has an area of 7,521 square metres and is located next to its flagship commercial office development, The Metropolis, at one-north, Singapore. The Group also acquired residential development sites in Queensland, Australia: a 47.41 hectares site in Ripley and an 8.98 hectares site in Bli Bli. The Ripley site is expected to yield 570 residential lots, a regional sports facility and associated community facilities upon completion. The final two stages of development of the Bli Bli site were completed in 2021, yields 95 residential lots and is closely situated to the Sunshine Coast Airport and Maroochy City Centre.
2021	The Group acquired the following residential development sites in Australia, namely: Collingwood Park, Park Ridge and Gympie in Queensland as well as Tarneit, Officer, Mickleham and Craigieburn in Victoria. These acquisitions are in line with the Group's objective to focus on developing master-planned communities in Queensland and Victoria.

Year	Event
2022	The Group fully acquired 34 Leadenhall Street Limited which holds a freehold property at 52 Lime Street, The Scalpel, in London that has a total of approximately 406,000 sq.ft. of Grade A office space. In addition, Mr Nicholas Chua was appointed as Executive Director and Chief Executive Officer, while Dr Chua Thian Poh was redesignated as Executive Chairman.
2023	The Group's biomedical sciences development was completed in December 2023 and named Elementum. The Elementum is a Green Mark Platinum-certified project and marks the Group's first foray into the biomedical sector. The Group was awarded the EY Family Enterprise Award of Excellence.

In Singapore, the Group's portfolio recorded a stable net fair value gain of S$108.3 million in FY2023, a slight increase from S$103.2 million the previous year. As at 31 December 2023, *The Metropolis*, the Group's flagship office building in Singapore, was fully let.

In FY2023, it continued to anchor the Group's rental income in Singapore, accounting for approximately 96.9% of the revenue from the Group's Singapore operations. The Metropolis is the largest Grade A office development outside the Central Business District of Singapore, by net lettable area, as at 31 December 2023. Together with other key properties such as the newly completed biomedical life sciences building Elementum, the Singapore investment properties have a combined total value of S$2.7 billion as at 31 December 2023. Furthermore, the Group's residential projects in Sentosa Cove generated positive sales momentum – with sales revenue from Turquoise[a], Seascape[b], and Cape Royale[c] totalling S$287.3 million in FY2023. The revenue from Singapore operations accounted for 23.2% of the Group's total revenue in FY2023.

The Group's UK property portfolio continues to contribute positively to the Group's earnings. Despite the headwinds in the commercial real estate sector, rental income from the Group's London portfolio remained stable at £91.6 million in FY2023 (compared to £92.2 million in FY2022). Contributions to the Group's total revenue from the UK in FY2023 was 34.3%. As at 31 December 2023, five of the Group's eight commercial properties held in London are fully let. In London, the Group's portfolio of eight prime office buildings have a valuation of £1.7 billion as at 31 December 2023.

The Group is engaged in the Chinese residential market through joint venture residential projects in Nanjing, Shanghai, Tangshan, Tianjin and Zhuhai with Chinese developer Yanlord. Yanlord is a real estate developer based in China that focuses on developing high-end residential, commercial and integrated property projects in strategically selected key high-growth cities in China and is listed on the Main Board of the SGX-ST.

(a) Turquoise is co-owned with a 90:10 equity interest split by the Group and Engro Corporation Limited.

(b) Seascape is co-owned with equal equity interest by the Group and IOI Land Singapore Pte. Ltd.

(c) Cape Royale is co-owned with a 35:65 equity interest split by the Group and IOI Land Singapore Pte. Ltd.

In FY2023, the Group's revenue in the Chinese property market dropped to RMB154.8 million, compared to RMB1.0 billion in FY2022, due to fewer units being handed over to buyers. The Group recorded an overall loss of RMB48.6 million for the China portfolio, compared to a profit of RMB154.2 million in FY2022, primarily due to the provision made for the Tianjin project. In response to the challenging market, the Group's joint venture entity made an early decision to adjust the sales price of the Tianjin project downwards and, as a result, successfully sold out all the apartments. On the whole, the Group sold 98% of its joint venture projects in China, in an effort to effectively manage its exposure in that market.

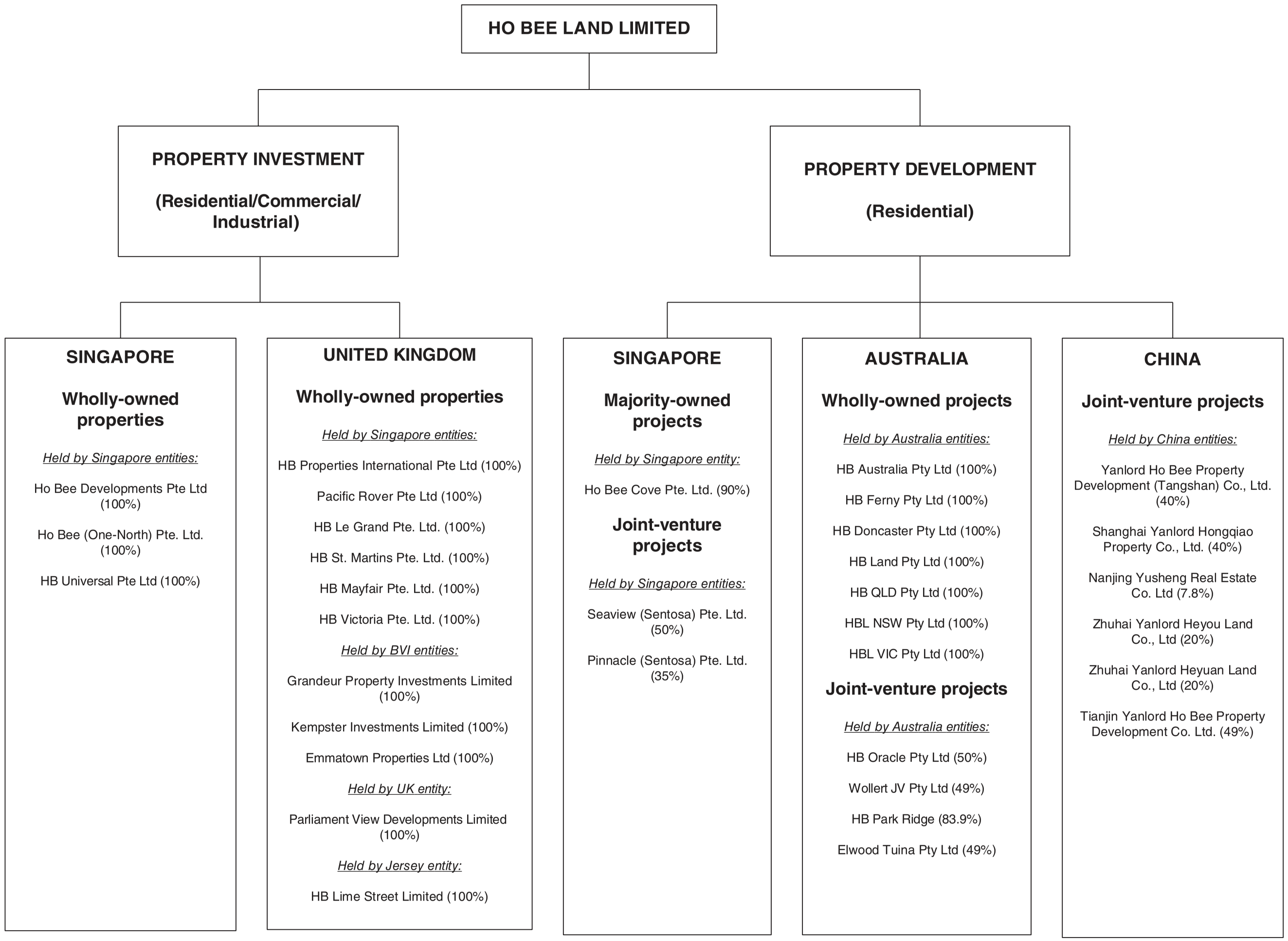
In Australia, the Group's master-planned residential communities continue to deliver strong results. As at 31 December 2023, over 550 land lots in Queensland and Victoria were handed over to buyers. The Group's total revenue in Australia amounted to A$212.5 million in FY2023, a notable increase from A$123.9 million in FY2022.

As at 31 December 2023, the Group holds a land inventory of over 4,000 lots in its pipeline. The Group has been steadily growing its presence in the Australian property market and has ongoing construction projects and property developments in Calli, Upper Coomera and Tillerman, Park Ridge Queensland, as well as Woodsong, Mickleham and Park, Tarneit Victoria.

Despite fair value losses of S$363.9 million on its investment properties in FY2023, the Group's strategy remains focused on a longer-term perspective and the continued profitability of its business based on its core operations. The Group will continue to explore both investment and development opportunities.

B. CORPORATE STRUCTURE

The corporate structure of the Issuer is as follows:



C. PRINCIPAL ACTIVITIES AND PORTFOLIO DETAILS

The Group's properties consist mainly of investment properties and development properties.

(i) Investment Properties

As of the date of this Information Memorandum, the Group's key investment properties consist primarily of 11 commercial and biomedical buildings mainly located in Singapore and the UK. The Group's investment properties in Singapore include one Grade-A office development (*The Metropolis*) and a biomedical sciences hub (*Elementum*). In the UK, the Group owns eight commercial properties located at prime locations in London. Please refer to the portfolio details on page 55 for more information.

As part of the Issuer's leasing strategy, the Issuer maintains a variety of tenants from different trade sectors and a wide range of lease tenors across its commercial properties in Singapore and the UK. This strategy enables it to strengthen its base of recurring income from its investment properties and ensures that the Issuer's income stream remains resilient in spite of seasonal changes associated with a particular trade sector or the general economic climate of a country in which the Issuer operates.

As at 31 December 2023, the Group's Investment properties have a Weighted Average Lease Expiry (weighted by net lettable area) of 4.3 years and a total portfolio occupancy rate (weighted by lettable area) of 95%.

(ii) Development Properties

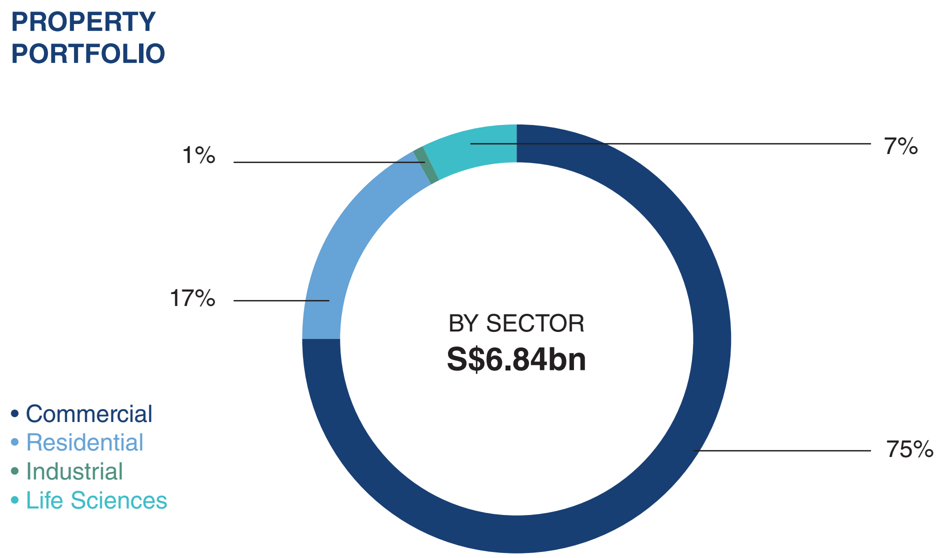
The Group has a track record of developing quality residential, commercial, life sciences business park and industrial projects spanning across Singapore, the United Kingdom, Australia, China and Germany. The Group's completed development projects include Turquoise, Seascape and Cape Royale in Singapore, Parliament View in London, UK and Mickleham Road and Beaudesert Road in Australia.

The Group's current development projects include properties in Courtney Drive in Gold Coast, Australia, Ripley Road, Collingwood Drive in Brisbane as well as Bayview Road, Leakes Road and Mickleham Road and Male Street in Melbourne, Australia.

Before embarking on a development project, the Group carries out detailed market research, feasibility studies and risk-return analysis. Please refer to the portfolio details on pages 59 to 61 of this Information Memorandum for more information.

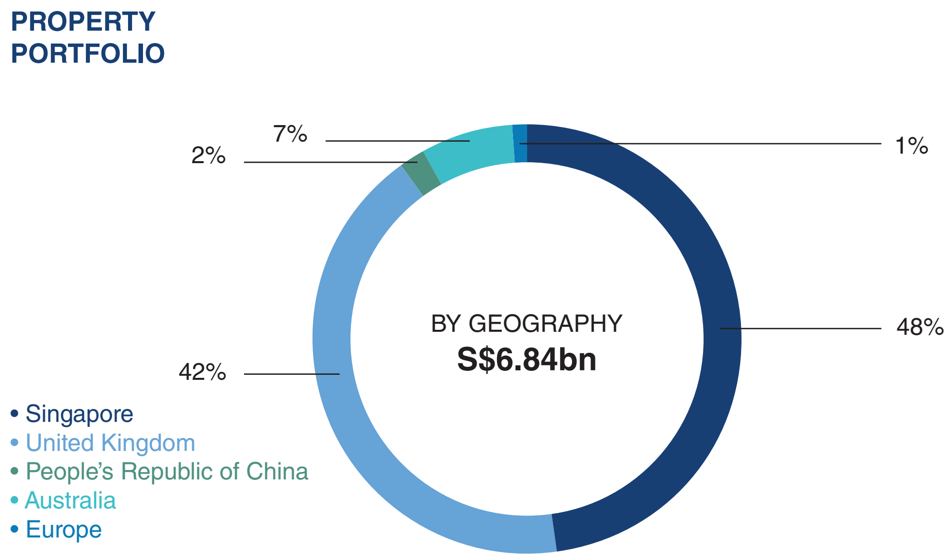
Asset Breakdown by Sector

The diagram below illustrates a breakdown of the Issuer's assets by sector for FY2023. The Issuer presently has a higher concentration of commercial properties than industrial, residential and life sciences properties.



Asset Breakdown by Region

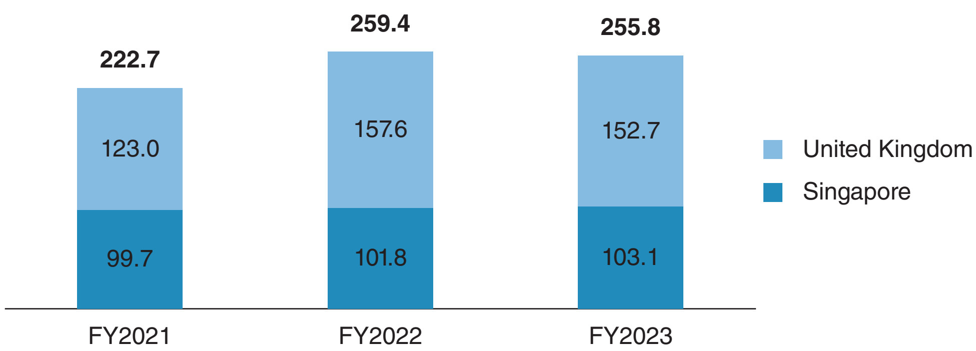
The diagram below illustrates a breakdown of the Issuer's assets by region for FY2023. Singapore continues to be the Issuer's primary market.



Recurring Rental Income from Investment Properties

The diagram below illustrates a comparison between the Issuer's recurring rental income received from its investment properties in the UK and its investment properties in Singapore from FY2021 to FY2023.

Rental Income (SGD 'm)



Portfolio of High Occupancy Investment Properties

The table below lists the occupancy rate and average remaining tenor of lease of each of the Issuer's various investment properties across Singapore and the UK as at 31 December 2023.

Properties	Location	Occupancy Rate	Average Remaining Term of Lease
The Metropolis	Singapore	100%	3 years
Petrol Station	Singapore	100%	24 years
Elementum	Singapore	NA(1)	5 years
1 St Martin's Le Grand(2)	United Kingdom	53%	3 Years
60 St Martins Lane	United Kingdom	100%	4 Years
39 Victoria Street	United Kingdom	100%	6 Years
110 Park Street	United Kingdom	95%	4 Years
Apollo & Lunar House(2)	United Kingdom	100%	1 Year
67 Lombard Street	United Kingdom	100%	3 Years
Ropemaker Place	United Kingdom	100%	6 Years
The Scalpel	United Kingdom	95%	8 Years

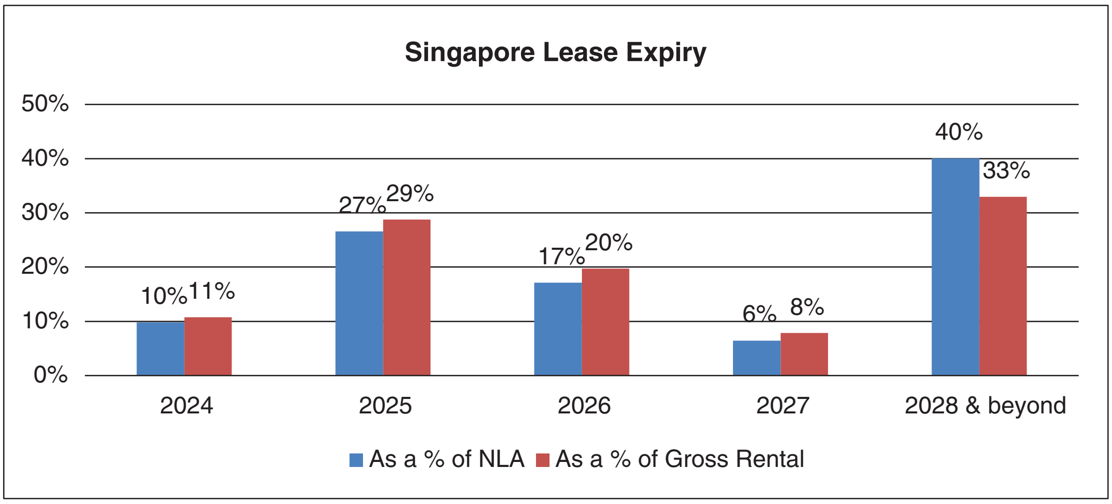
Notes:

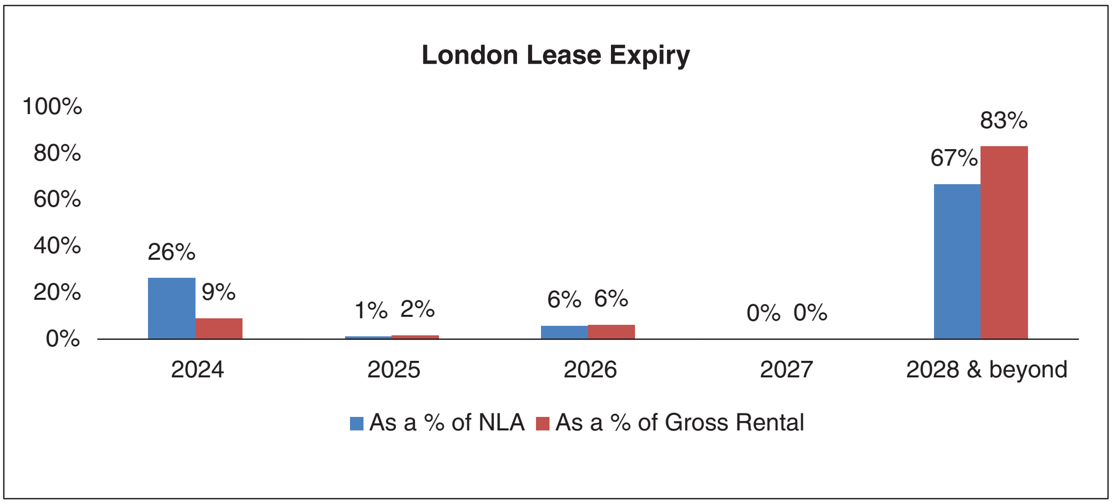
(1) As at 31 December 2023, approximately 90% of Elementum has already been committed for lease.

(2) Properties earmarked for asset enhancement initiatives and/or redevelopment.

Well-Spread Lease Expiry Profile from Investment Properties

The diagrams below illustrate the lease expiry profiles of the Group's Singapore and UK properties as (i) a proportion of total NLA; as well as (ii) a proportion of total gross rental, each as at 31 December 2023.





Portfolio Details of the Group's Investment Properties

Property/ Project Name	Location	Property Type	Tenure	Lettable Area (square metres)	Average Remaining Term of Lease	Occupancy Rate as at 31 Dec 2023	Valuation as at 31 Dec 2023	Major Tenants	Group's Stake (%)
Singapore									
THE METROPOLIS	One-North	Office	99-Yr Leasehold	101,368	3 Years	100%	$2,213,000,000	SGX-ST, Procter and Gamble, Shell Eastern Petroleum, CMA CGM, Modec	100%
PETROL STATION	Bukit Timah Road	Retail	999-Yr Leasehold	1,857	24 Years	100%	$44,000,000	Sinopec	100%
ELEMENTUM	North Buona Vista	Office	60-Yr Leasehold	34,796	5 Years	NA	$483,300,000	Synapxe, Ministry of Health Holdings	100%
United Kingdom									
1 ST MARTIN'S LE GRAND	City of London	Office	Freehold	25,715	3 Years	53%	£170,000,000	Mitsui & Co	100%
60 ST MARTINS LANE	Covent Garden	Office and Retail	Freehold	3,377	4 Years	100%	£34,500,000	Spaces	100%
39 VICTORIA STREET	Victoria	Office	Freehold	9,104	6 Years	100%	£114,000,000	The Corporate Officer of The House of Commons	100%
110 PARK STREET	Mayfair	Office	125-Yr Leasehold	2,600	4 Years	95%	£37,500,000	Rede, Thunderbird	100%
APOLLO & LUNAR HOUSE	Croydon	Office	Freehold	41,040	1 Year	100%	£65,000,000	Secretary of State for Communities & Local Government	100%
67 LOMBARD STREET	City of London	Office	Freehold	8,699	3 Years	100%	£95,000,000	Arthur J. Gallagher	100%
ROPEMAKER PLACE	City of London	Office	Freehold	55,857	6 Years	100%	£635,000,000	Macquarie Group, S&P	100%
THE SCALPEL	City of London	Office	Freehold	36,846	8 Years	95%	£554,000,000	W.R. Berkley, Morrison and Foerster, Britannia Financial Group	100%

Brief Description of Major Investment Properties in Singapore and UK

1. **39 VICTORIA STREET** *London*

   The freehold property is situated in Victoria, one of the West End's most established office markets. Completed in 2014, the building provides 98,000 sq.ft. of Grade-A office and retail space arranged over basement, ground and nine upper floors.

   The location provides excellent transport connections to Central London, the south-east of England and beyond. It is within short distance to Victoria Station – the second busiest station in London and a major London Underground interchange, providing access to both the Victoria, Circle and District lines. It also provides easy access to Westminster and St James's Park Underground stations.

2. **110 PARK STREET** *London*

   110 Park Street is a 5-storey building which provides about 28,000 sq.ft. of Grade-A office accommodation on lower ground, ground and four upper floors. The building was re-constructed behind its original Victorian façades in 1990/1991. It recently underwent a comprehensive high-specification refurbishment to the common areas, reception and the ground, first and fourth floors.

   The location is well connected to London's transportation network, with Bond Street (Central, Jubilee and Elizabeth Lines), Marble Arch (Central Line), Oxford Circus and Green Park underground stations a short walk away.

3. **APOLLO AND LUNAR HOUSE** *London*

   Apollo and Lunar House comprises two office buildings of 20 storeys and 22 storeys, providing a total of about 442,000 sq.ft. of office accommodation. The buildings were constructed in the late 1960s and underwent a phased refurbishment programme in 1995 and 2000.

   Croydon is the largest of the London boroughs in terms of population and is the sixth-largest business and commercial centre in the UK. It is well connected to both Central London and Gatwick International Airport. Croydon is an important part of the Greater London office market which houses 12,000 local, national and international businesses. The town centre is currently undergoing significant expansion and rejuvenation.

   The property is situated in the heart of Croydon Town Centre, and is a short distance between the East and West Croydon Railway Stations. It enjoys excellent public transport connectivity with the Tramlink and subway links nearby.

4. **60 ST MARTIN'S LANE** *London*

   The property is located in the heart of the world-renowned Covent Garden, one of London's most famous retail, entertainment and business districts. It is located close to four London Underground Stations. 60 St Martin's Lane is a prime retail building comprehensively redeveloped in 2011 behind a retained Portland Stone façade totalling 36,350 sq.ft. Constructed around a modern steel frame, the building has been designed to exacting standards with an impressive and dramatic double height reception area complementing the contemporary feel of the surrounding area.

   Internally, the building comprises six floors of high-quality Grade-A office accommodation and a substantial, well-configured retail/restaurant unit at ground and lower ground floor level, providing an extensive frontage to St Martin's Lane.

5. **1 ST MARTIN'S LE GRAND** *London*

1 St Martin's Le Grand is located in a prominent island site in the western core of the City of London. The freehold commercial property stands beside the historical banking address of Gresham Street, and is about 50 metres north of the London Stock Exchange. It is well connected to London's transportation network, with St Paul's and Barbican Underground Stations in close proximity.

1 St Martin's Le Grand was originally constructed in the late 19th Century. It served as the General Post Office of London in the past. The building was redeveloped behind its original Portland stone facade in the late 1980s. The building comprises approximately 276,792 sq.ft. of Grade-A office arranged over basement, ground and nine upper floors. A comprehensive refurbishment was completed in 2007 and an internal refurbishment programme was also undertaken in 2011.

6. **67 LOMBARD STREET** *London*

The freehold commercial property is located on Lombard Street, in the core of the City of London. It is 100 metres away from the Bank of England and the Royal Exchange and is situated amongst some of the world's biggest global companies and iconic buildings. The location is well connected to London's transportation network with convenient access to the rest of central London, commuter destinations, and London's airports.

The property is a Grade A office building redeveloped in 2014 behind a classic retained 1930s red brick façade. Occupying a virtual island site of 0.32 acres, the property provides 93,640 sq.ft. of Grade A office space, restaurant and ancillary accommodation arranged over ground and eight upper floors.

7. **ROPEMAKER PLACE** *London*

Ropemaker Place is a freehold, prime office building that occupies about 0.55 hectares in the heart of the City of London. The Group acquired Ropemaker Place for a consideration of £650 million in 2018.

Located near the Crossrail at Moorgate, the property is six minutes' walk away from Liverpool Street Station – the busiest transportation hub in the city. The property is well connected to all major infrastructure hubs: London City Airport and London Gatwick are within 20 and 35 minutes from the property.

The 21-storey best-in-class Grade A office tower was completed in May 2009, with four floors offering exclusive garden terraces. It comprises 601,260 sq.ft. of office space, retail, and ancillary accommodation.

The property was the first building in the City of London to achieve a LEED (Leadership in Energy and Environmental Design) Platinum pre-certification for sustainability. It was also awarded "Excellent" BREEAM (*Building Research Establishment Environmental Assessment Method*) In-Use.

8. **THE SCALPEL** *London*

The Scalpel is a 675-foot 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 is well connected with London's public transportation network, particularly since the opening of the Elizabeth Line at Liverpool Street in May 2022. Notably known as

"The Scalpel" because of its geometrical intersecting reflective planes, it was designed by world renowned architectural firm KPF and completed in early 2019. In terms of sustainability, the building achieved a classification of BREEAM (Building Research Establishment Environmental Assessment Method) "Excellent" – New Construction and an Energy Performance Certificate rating of B.

The Scalpel has approximately 406,000 sq.ft. of best-in-class Grade A office space spread over 36 storeys and three retail units at ground and basement levels.

9. THE METROPOLIS *Singapore*

With a strategic location along North Buona Vista Drive, The Metropolis was conceptualised to become the gateway to the iconic One North, home to the region's finest research facilities and business parks. The Metropolis is a Grade A office building comprising two soaring office towers that are earmarked to serve as headquarters for leading multinational corporations. The Buona Vista MRT Interchange is located right at its doorstep, and it is well-connected to the rest of the island via major expressways and arterial roads.

Awarded the BCA Green Mark Platinum, the building has large floor plates of about 29,000 and 27,000 sq.ft. with column-free spaces that provide complete flexibility and efficiency to meet the demands of 21st century business. The Metropolis was completed in 2013 and has a total gross floor area of some 1.2 million sq.ft. As at 31 December 2023, the Metropolis continues to anchor the Group's rental income in Singapore.

10. ELEMENTUM *Singapore*

In March 2020, the Group was awarded a site next to its flagship commercial office development, The Metropolis. Named Elementum, the biomedical sciences development was designed by award-winning architectural practice, Skidmore, Owings & Merrill to achieve leading industry standards in design and functionality.

Completed in December 2023 with 12 storeys of laboratories and office spaces, Elementum faces one of Singapore's newest parks, a 24-kilometre railway-turned-greenway called the Rail Corridor and elevates the precinct with an ecologically driven, community-focused design. Elementum, together with The Metropolis, serves as key landmarks and the anchors of business activity and vibrancy in this ecosystem.

A Green Mark Platinum-certified project, Elementum has 374,500 sq.ft. of NLA of business park space for high-quality biomedical sciences research, office and retail uses.

The building is specially designed for companies in the biomedical industry and constructed to the highest specifications featuring high-grade power, chilled water and other critical building systems and infrastructure that such tenants require.

Portfolio Details of the Group's Development Properties

Below is a description of the development projects and developed projects by the Group which have not been completed or fully sold.

Property/Project Name	Location	Type of Development	Tenure	Net Saleable Area (square metres)	Site Area (square metres)	Total Units	Launch Date	No. of Units Sold	% Sold	Actual/ Expected Year of Completion	Group's Stake (%)
AUSTRALIA											
Broadbeach, Gold Coast	Gold Coast	Mixed Use	Freehold	11,342	11,342	1	2021	1	100	2024	100
Ripley Road, Ripley QLD	Queensland	Land	Freehold	248,205	474,000	577	2021	304	53	2026	100
Collingwood Drive, Collingwood QLD	Queensland	Land	Freehold	152,133	211,540	199	2021	167	84	2024	100
Leakes Road, Tarneit VIC	Victoria	Land	Freehold	347,222	597,310	755	2021	277	37	2027	100
Park Ridge Road, Park Ridge QLD	Queensland	Land	Freehold	125,377	211,600	307	2023	127	41	2025	84
Algester Road, Calamvale QLD	Queensland	Land	Freehold	22,297	32,100	49	2023	48	98	2024	100
Courtney Drive, Upper Coomera QLD	Queensland	Land	Freehold	95,080	185,500	196	2024	0	0	2026	100
Beaudesert Road, Parkinson QLD	Queensland	Land	Freehold	33,820	80,960	76	2023	38	50	2024	100
Bayview Road, Officer VIC	Victoria	Land	Freehold	52,220	83,050	119	2021	103	87	2027	100
Mickleham Road, Mickleham VIC	Victoria	Land	Freehold	243,185	538,400	662	2023	98	15	2029	100
Dunhelen Land, Craigieburn VIC	Victoria	Land	Freehold	414,200	684,500	1,156	2025	0	0	2031	100
Tiuna Grove Elwood VIC	Victoria	Residential	Freehold	2,467	2,355	14	2021	3	21	2024	49
Male Street Brighton VIC	Victoria	Residential	Freehold	3,918	2,987	19	2021	10	53	2024	49
Wollert, VIC	Victoria	Land	Freehold	105,400	157,600	303	2024	0	0	2027	49
Morayfield, QLD	Queensland	Land	Freehold	26,870	41,130	66	2023	60	91	2024	50
Joyner, QLD	Queensland	Land	Freehold	75,210	180,000	228	2024	0	0	2026	50

Portfolio Details of the Group's Properties Held for Sale

Property/Project Name	Location	Type of Development	Tenure	Net Saleable Area (square metres)	Total Units	Launch Date	No. of Units Sold	% Sold	% Leased for Unsold Units	Actual/ Expected Year of Completion	Group's Stake (%)
SINGAPORE											
Turquoise	Sentosa Cove	Residential	99-Yr Leasehold	3,322	91	Sep 2007	81	89	70	2010	90
Seascape	Sentosa Cove	Residential	99-Yr Leasehold	18,987	151	Mar 2010	78	52	74	2011	50
Cape Royale	Sentosa Cove	Residential	99-Yr Leasehold	45,932	302	Jun 2022	88	29	86	2014	35

Property/Project Name	Location	Type of Development	Tenure	Net Saleable Area (square metres)	Total Units	Launch Date	No. of Units Sold	% Sold	% Leased for Unsold Units	Actual/ Expected Year of Completion	Group's Stake (%)
LONDON											
Parliament View	1 Albert Embankment	Residential	Freehold	271	190	Mar 2001	188	99	100	2000	100
Goodman's Fields	37 Lehman Street	Residential	999-Yr Leasehold	708	17	Not launched	–	–	100	2016	100
Canaletto	City Road	Residential	999-Yr Leasehold	1,048	21	Not launched	–	–	100	2017	100

Property/Project Name	Location	Type of Development	Tenure	Net Saleable Area (square metres)	Total Units	Launch Date	No. of Units Sold	% Sold	Actual/ Expected Year of Completion	Group's Stake (%)
CHINA										
Tangjiawan	Zhuhai	Residential	Leasehold	472,534.4	3,669 (Apartment / Duplex)	November 2014	3,654	99.6%	June 2021	20%
Bei An Yuan	Zhuhai	Residential	Leasehold	36,185.17	381 (Apartment)	June 2021	245	64.0%	October 2021	20%
Nanhu Eco City	Tangshan	Residential	Leasehold	323,900	2,215 (Apartment) 110 (Commercial)	September 2013	2,325	100.0%	December 2020	50%
Jiangning Science Park	Nanjing	Residential	Leasehold	365,245	3,052 (Apartment) 82 (Commercial)	September 2019	3,051 (Apartment) 81 (Commercial)	99.9%	end-December 2021	8%
Jinluyuan	Tianjin	Residential	Leasehold	95,978.72	752 (Apartment)	Aug 2021	752 (Apartment)	100.0%	end-May 2024	49%

D. BUSINESS STRATEGY

The Group is focused on building sustainable income and growing shareholders' value. To this end, the Group looks to adopt the following strategies:

- *Focus on the dual engine of growth in property investment and development*

  The Group has a robust business model built on a solid recurring income base and supplemented by development income to capitalise on opportunities within its key markets. Group revenue rose from S$435.6 million in FY 2022 to S$444.9 million in FY 2023, which was contributed mainly by increased development sales in Australia and the resilient rental income across the Group's investment properties.

- *Diversify geographically*

  The property business is cyclical. However, such cycles vary from region to region at different points in time. The Group has diversified its real estate activities across Singapore, the UK, Australia and China. The Group's total investments in the eight commercial properties in London amounted to £1.7 billion, with a stable rental income of £91.6 million in FY2023. The Group's master-planned residential communities in Australia continued to deliver strong results, with total revenue in Australia amounting to A$212.5 million in FY2023, with a land inventory of over 4,000 lots in the pipeline. In China, more than 98% of the Group's joint venture projects have been sold with a revenue of RMB154.8 million in FY2023.

- *Focus on quality commercial properties for stable recurring income*

  The Group intends to continue its strategy of maintaining a portfolio of high-quality commercial properties for investment both locally and overseas. The Group's existing investment portfolio comprises mainly eleven properties held across Singapore and London. The high-quality investment properties in both Singapore and London are well-occupied and positioned to continue contributing positively to the Group's earnings in the coming years. The Group achieved a stable recurring rental revenue of S$255.8 million in FY2023.

- *Capital recycling*

  The Group employs capital recycling to ensure it is well-positioned to seize growth opportunities to grow its portfolio of investment properties and/or its pipeline of development projects. In particular, the Group will undertake proactive capital recycling by planning, identifying and undertaking appropriate divestment of assets opportunistically and redeploying proceeds into other growth opportunities. The Group also reviews its property portfolio from time to time to assess if its interest in any asset (or part thereof) should be divested as a result of the asset having reached its optimal life cycle or becoming non-strategic or non-core over time.

  For example, in 2023, the Group divested HB Centre 1 and 2 for a consideration of S$115.0 million and a gain on disposal of S$47.1 million before deducting selling expenses. The Group also divested the Broadbeach site in Australia for A$32.0 million, which it then recycled the proceeds into acquiring a new land inventory in Queensland.

- *Diversify portfolio of properties*

  The Group intends to continue to hold a diversified portfolio of development and investment properties in the residential, commercial, life sciences and industrial sectors. The good mix of properties held by the Group in the different property sub-sectors will allow the Group to spread its exposure effectively.

  In London, the Group holds a portfolio of commercial properties ranging in size and located in different parts of London including Mayfair, Victoria, City and Croydon. This diversity in size and location is a prudent approach to reducing its risks.

E. COMPETITIVE STRENGTHS

The competitive strengths of the Group are set out below:

- *Diversified portfolio across sectors and regions*

  The Group is able to mitigate its investment risks through geographical diversification into the UK, China and Australia markets. By spreading its investment across different regions whose economic cycles are not significantly interdependent, the Group is able to achieve greater stability in its income stream. Such geographical diversification adds a further layer of protection to the Group's overall diversification strategy, which also lays emphasis on sector diversification. Presently, the Group's Singapore and UK commercial properties primarily contribute to its property investment business, while its Australia residential properties primarily contribute to the property development branch of its business. The Group's China properties currently represent approximately 2% of the total valuation of the Group's property portfolio as the majority of the Group's development projects in China have been substantially sold.

- *Strong mix of recurring income*

  The Group has a strong base of recurring rental income with total assets under management both in Singapore and London amounting to over two million sq.ft. The Group's portfolio of properties enjoys high occupancies, a well-spread lease expiry profile and generated about S$255.8 million and S$259.7 million in rental income in FY2023 and FY2022 respectively.

- *Established business relationships*

  The Group has numerous blue-chip business partners as major tenants in both Singapore and the UK, including government agencies, financial institutions and multinational corporations. The Group has also partnered with established joint venture partners to achieve successful results. Such strategic partnerships allow the Group to tap into the experience, expertise and resources of its joint venture partners and pave the Group's expansion into new markets where such partners have established reputations. Furthermore, the synergy ensuing from such partnerships gives the Group and its joint venture partners a competitive edge when they are bidding jointly for projects.

  Instances of the Group's joint venture partnerships include:

  – its 50:50 joint venture with MCL Land in 2006 to acquire a freehold residential site in Holland Hill for the subsequent development of *Parvis*, for a consideration of S$292.0 million. MCL Land is a property group which is part of the Jardine Matheson Group under Hongkong Land Holdings with a long track record of building quality homes in Singapore and Malaysia;

- its 50:50 joint venture with IOI Land in 2007 to acquire the land parcel located at Sentosa Cove for the subsequent development of *Seascape*, for a consideration of approximately S$459.8 million. IOI Land is a wholly-owned subsidiary of IOI Properties Group Berhad which is listed on the Main Market of Bursa Malaysia;

- its 35:65 joint venture with IOI Properties (S) in 2008 to acquire the last prime condominium site at Sentosa Cove for the subsequent development of *Cape Royale*, for a consideration of approximately S$1.10 billion. IOI Properties (S) is also a wholly-owned subsidiary of IOI Properties Group Berhad;

- its partnership with NTUC Choice Homes Co-operative Limited in 2007 to acquire the land parcel in Dakota Crescent for the development of the 348-unit *Dakota Residences* in Singapore;

- its 50:50 joint venture with Yanlord in 2009 to explore the investment and development of a high-end residential development within the Nanhu Eco-City in Tangshan, China. Yanlord is a real estate developer based in China that focuses on developing high-end residential, commercial and integrated property projects in strategically selected key high-growth cities in China, and is listed on the Main Board of the SGX-ST;

- its 40:60 joint venture with Yanlord in 2010 to acquire a 13.69 hectares prime residential development site in Qingpu District, Shanghai for RMB3.82 billion;

- its 20:20:60 joint venture with Shanghai Youyou Group and Yanlord in 2011 to acquire two adjacent prime residential sites with a combined gross floor area of 499,329 square metres in Tang Jia Wan district, Zhuhai, for RMB3.0 billion. Located along Zhuhai's picturesque seafront, the project is part of the Chinese government's initiative to develop the area into a prime waterfront residential district;

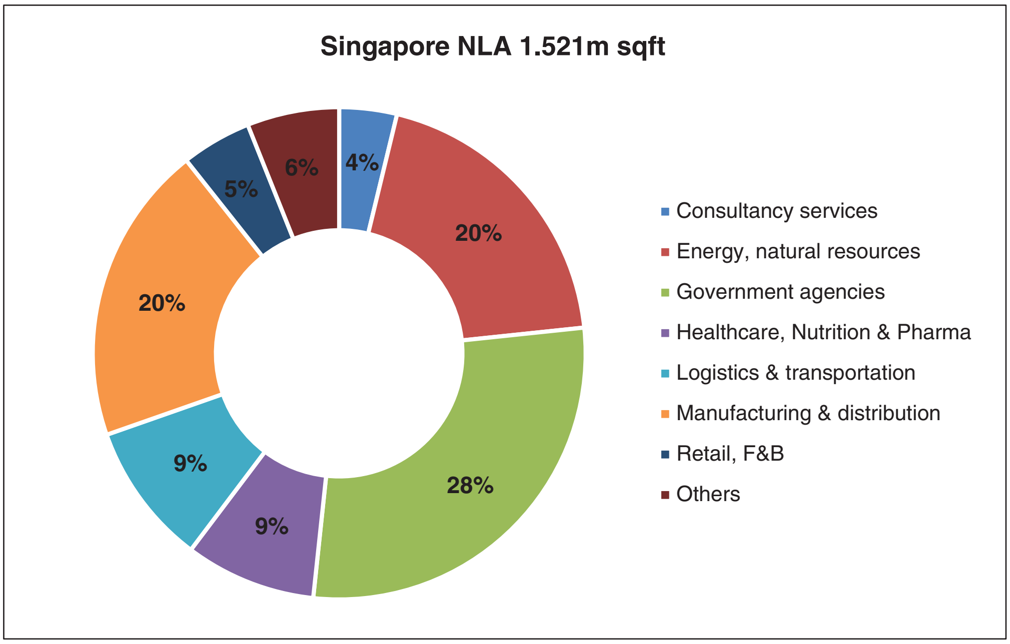
- its 49:51 joint venture with Villa World Wollert Pty Ltd in 2017 for a residential land subdivision development in Wollert, Melbourne, Australia, for the development of a 16 hectare site into 285 land lots. The site is located adjacent to the future Wollert Town Centre, is less than 30 km from the CBD and under 20 km from Melbourne airport; and

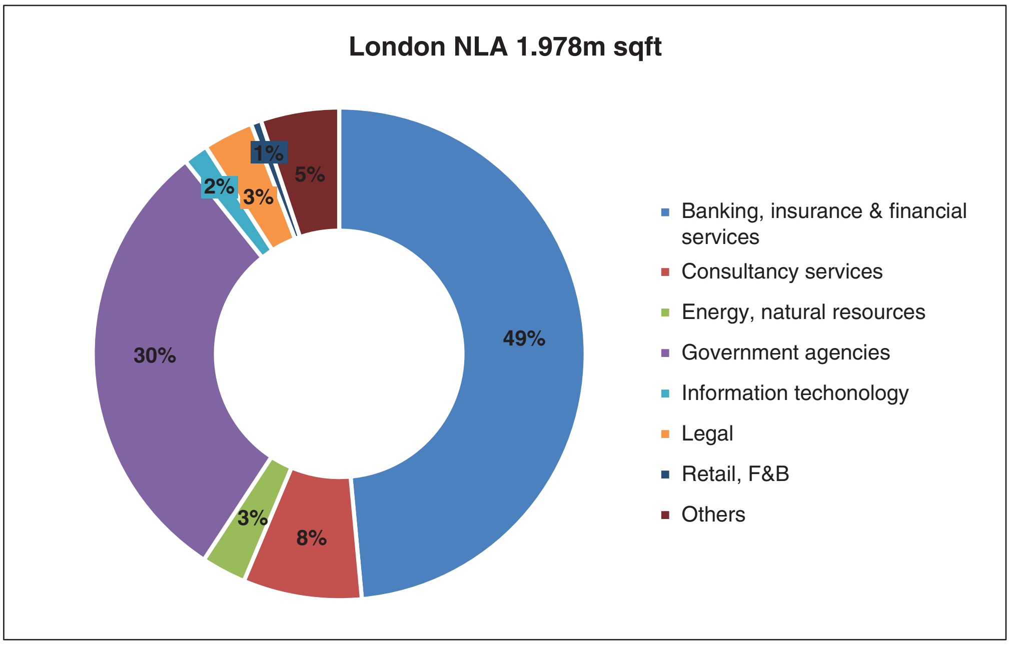
- its co-operation agreement with Yanlord in 2021 to jointly develop a residential site located in Hongqiao District, Tianjin, China. Both parties plan to transform the site into a new high-end residential development with ancillary community retail space and educational facilities with a total gross floor area of approximately 117,100 square metres.

• *Diversified tenant network*

The Group maintains a diverse mix of tenants across its commercial properties in Singapore and the UK, allowing it to withstand seasonal changes affecting each trade sector or the general economic climate. The Group's tenant mix is diversified across multiple sectors, such as financial institutions, healthcare, shipping, telecommunications, real estate, insurance, professional services and the public sector.

The Group's diversified tenant mix is illustrated by the diagrams below on the Tenant Trade Breakdown from Investment Properties by net lettable area ("**NLA**").





In addition, many of the Group's anchor tenants are from established MNCs and government institutions. Examples of the Group's key tenants include: the UK House of Commons, Ministry of Health Holdings, Secretary of State for Communities & Local Government, Macquarie Group, National Australia Bank, Morrison and Foerster, Arthur J. Gallagher, Britannia Financial Group, W.R. Berkley Corporation, SGX-ST, S&P Global, Shell Eastern Petroleum, Procter & Gamble, Sinopec, CMA CGM, Spaces, Synapxe, Mitsui & Co.

- *Prudent Capital Management*

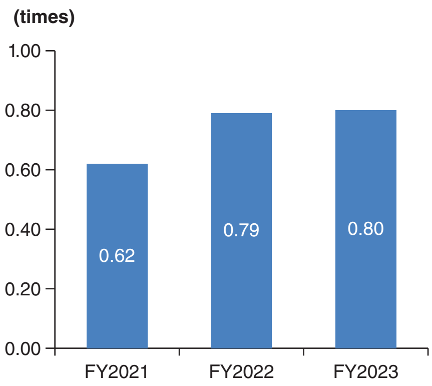
The Group adopts a prudent capital management approach where it maintains an adequate capital base so as to maintain investor, creditor and market confidence, sustain future development of the business and navigate emerging issues and risks including global financial stress, persistent inflation and the current higher interest rate environment.

As part of its overall liquidity management, the Group maintains sufficient levels of cash and fixed deposits to meet its working capital requirements. As at 31 December 2023, the Group has cash and cash equivalents of S$172,677,000 and net current assets of S$80,523,000.

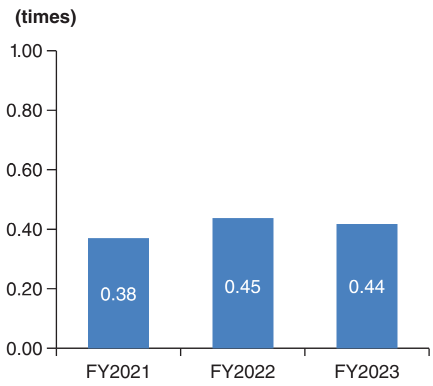
In addition, the Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met.

As illustrated in the diagram below, the Group's Net Gearing Ratio (as measured by Consolidated Total Borrowings (Net of Cash) to Consolidated Total Equity) and Leverage Ratio (as measured by Consolidated Total Borrowings to Consolidated Total Assets) have remained stable between FY 2021 to FY 2023.

Net Gearing Ratio[1]



Leverage Ratio[2]

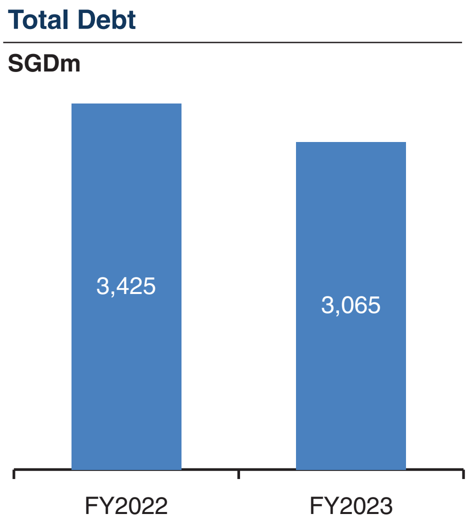


Notes:

(1): Consolidated Total Borrowings (Net of Cash) to Consolidated Total Equity

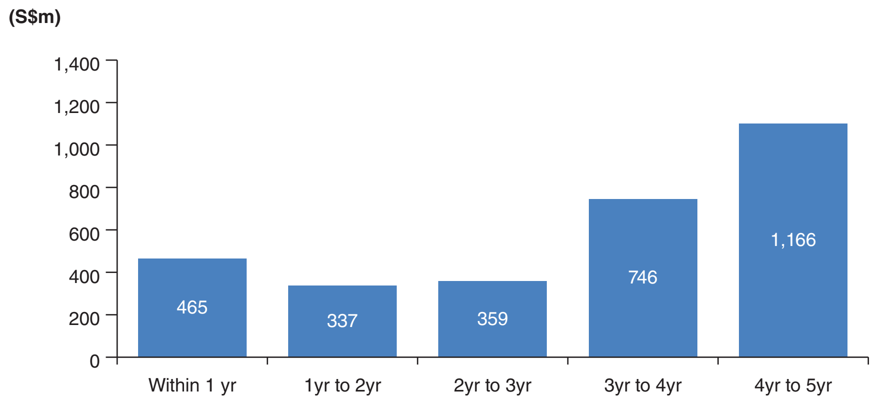
(2): Consolidated Total Borrowings to Consolidated Total Assets

Furthermore, as illustrated in the diagram below, the Group has reduced its total debt by S$360 million from S$3,425 million in FY2022 to S$3,065 million in FY2023.



The Group maintains revolving credit facilities of a reasonable level compared to its current debt obligation. As at 31 December 2023, the Group is well supported by relationship banks with approximately S$0.5 billion of undrawn committed facilities. Furthermore, as at 31 December 2023, the Group has an average all-in cost of borrowing of approximately 5%.

As at 31 December 2023, the Group also has a well-termed-out debt maturity profile (as illustrated in the diagram below) and has a weighted average debt maturity of 3.2 years.



- *Experienced management team*

The Group boasts an experienced and qualified management team with a successful track record in managing its businesses. Most of the core members of the Group's senior management team have been instrumental in its development since the establishment of the Issuer. The Group's founder and Executive Chairman, Dr Chua Thian Poh, provides the leadership to promote the culture of the Issuer and further strengthen the effectiveness and performance of the Board, particularly in charting the growth strategies of the Group. The Group's CEO, Mr Nicholas Chua, who joined the Group in 2002, is responsible for implementing the Group's overall strategies set by the Board and driving the growth and operational performance of the Group. The Group has a capable and experienced management team that has an aggregate of more than 120 years of experience in the business. The Group believes that its senior management team possesses the appropriate mix of multi-disciplinary skills and experience.

F. AWARDS

The Group has been accorded the following awards:

Award		Awarding Organisation	Date of Award
1.	Water Efficiency Awards 2024 for The Metropolis	PUB	2024
2.	EY Family Enterprise Award of Excellence	EY	2023
3.	Best Returns to Shareholders in the real estate sector	The Edge Singapore	2022
4.	Patron of the Arts Award	National Arts Council	2017
5.	Singapore Good Design SG Mark Award for *The Metropolis*	DBCS	2015
6.	BCA Construction Excellence Award, Commercial/Mixed Development Buildings for *The Metropolis*	BCA	2015
7.	Singapore Property Awards, Winner 2014 Office Category for *The Metropolis*	FIABCI-Singapore	2014
8.	Singapore Property Awards, Winner 2012 Residential (Low Rise) Category for Seascape	FIABCI-Singapore	2012
9.	BCA Construction Excellence Award, Residential Buildings for Dakota Residences	BCA	2012
10.	BCA Green Mark Platinum Award for *The Metropolis*	BCA	2011
11.	‘Best Architecture Multiple Residence’, ‘Best Apartment’, Singapore for *Dakota Residences*	International Property Awards	2011
12.	“Best Under a Billion” 2010 Listing for Ho Bee Land Limited	Forbes Asia	2010
13.	MIPIM Award (Marche International des Professionels de l’immobilier) for *The Berth*	MIPIM	2007

G. FINANCIAL SUMMARY AND OVERVIEW

The summary of the audited consolidated financial results of the Group for FY2023, FY2022 and FY2021 are as follows:

CONSOLIDATED INCOME STATEMENT

	FY 2023 $'000	FY 2022 $'000	FY 2021 $'000
Revenue	444,870	435,622	347,693
Other gains and fair value changes	52,711	39,178	40,197
Cost of sales – residential development projects	(137,924)	(126,596)	(104,316)
Direct rental expenses	(22,434)	(19,842)	(18,351)
Exchange differences	(7,377)	(18,413)	(5,764)
Staff costs & directors' remuneration	(16,078)	(11,990)	(21,098)
Other operating expenses	(12,845)	(11,980)	(9,625)
Net finance costs	(157,704)	(88,019)	(39,789)
	143,219	197,960	188,947
Share of results, net of tax, of:			
– associates	(10,230)	32,711	44,217
– jointly-controlled entities	12,363	45,987	71,308
	145,352	276,658	304,472
Fair value changes in investment properties	(363,921)	(98,749)	53,106
(Loss)/profit before tax	(218,569)	177,909	357,578
Income tax expense	(40,468)	(10,803)	(17,569)
(Loss)/profit for the year	(259,037)	167,106	340,009
Attributable to:			
Owners of the Issuer	(259,845)	165,880	330,512
Non-controlling interests	808	1,226	9,497
(Loss)/profit for the year	(259,037)	167,106	340,009

CONSOLIDATED BALANCE SHEET

	FY 2023 $'000	FY 2022 $'000	FY 2021 $'000
Non-current assets			
Property, plant and equipment	55,772	53,748	44,508
Investment properties	5,607,769	5,756,115	4,952,993
Associates	53,902	108,180	369,545
Jointly-controlled entities	379,392	433,124	395,501
Other assets	150	150	150
Financial assets	64,609	64,474	231,358
Other receivables	38,826	125,559	176,152
Deferred tax assets	532	255	142
	6,200,952	6,541,605	6,170,349
Current assets			
Financial assets	2,524	17,385	–
Development properties	516,114	570,366	322,147
Deposits for land premium paid for development properties	–	–	56,899
Trade and other receivables, including derivatives	83,715	144,917	67,507
Cash and cash equivalents	172,677	327,386	123,415
	775,030	1,060,054	569,968
Total assets	6,975,982	7,601,659	6,740,317
Equity attributable to equity holders of the Issuer			
Share capital	156,048	156,048	156,048
Reserves	3,439,919	3,759,681	3,773,269
	3,595,967	3,915,729	3,929,317
Non-controlling interests	14,088	14,263	20,334
Total equity	3,610,055	3,929,992	3,949,651

	FY 2023 $'000	FY 2022 $'000	FY 2021 $'000
Non-current liabilities			
Loans and borrowings	2,585,013	2,193,979	1,802,721
Other liabilities	32,291	27,614	29,976
Deferred income	41,853	46,525	42,683
Deferred tax liabilities	12,263	20,168	26,099
	2,671,420	2,288,286	1,901,479
Current liabilities			
Trade and other payables, including derivatives	164,061	108,133	91,755
Loans and borrowings	479,671	1,230,725	743,038
Deferred income	2,001	1,671	1,671
Current tax payable	48,774	42,852	52,723
	694,507	1,383,381	889,187
Total liabilities	3,365,927	3,671,667	2,790,666
Total equity and liabilities	6,975,982	7,601,659	6,740,317

RATIOS	FY 2023	FY 2022	FY 2021
Consolidated Total Borrowings (Net of Cash)	S$2.892 billion	S$3.097 billion	S$2.422 billion
Consolidated Tangible Net Worth	S$3.596 billion	S$3.916 billion	S$3.929 billion
Net Gearing Ratio(1)	0.80	0.79	0.62
Consolidated Total Assets	S$6.976 billion	S$7.602 billion	S$6.740 billion
Leverage Ratio(2)	0.44	0.45	0.38
EBIT(3)	S$302 million	S$363 million	S$335 million

Notes:

(1) Consolidated Total Borrowings (Net of Cash) to Consolidated Total Equity.

(2) Consolidated Total Borrowings to Consolidated Total Assets.

(3) EBIT is defined as the (loss)/profit for the year after non-controlling interests, before net finance costs, income tax expense and fair value changes.

PERFORMANCE REVIEW OF THE GROUP

Full Year Ended 31st December 2023 vs Full Year Ended 31st December 2022

For the full year ended 31 December 2023, the Group's revenue was 2% higher at S$444.9 million compared to last year (FY2022: S$435.6 million).

Development property sales improved by 7% to S$189.1 million (FY2022: S$175.9 million), as more land lots were handed over to buyers in Australia. This was partially offset by lesser sales completion for Turquoise in Sentosa Cove. Rental income remained stable at S$255.8 million (FY2022: S$259.7 million).

Other gains increased by 35% to S$52.7 million (FY2022: S$39.2 million), mainly attributable to the disposal of HB Centre 1 and 2 in Singapore. Other gains in FY2022 included a S$29.3 million fair value gain recognised on the Group's Munich notes investment.

Cost of sales for residential development projects increased by 9% to S$137.9 million (FY2022: S$126.6 million), in line with the higher revenue. Direct rental expenses increased by 13% to S$22.4 million (FY2022: S$19.8 million), mainly due to service charges on vacant units for a London property, coupled with higher utility expenses in Singapore.

Other operating expenses increased by 7% to S$12.8 million (FY2022: S$12.0 million), mainly due to professional fees incurred for refinancing activities this year.

Net finance costs increased to S$157.7 million (FY2022: S$88.0 million) on the back of rising interest rates.

Overall, profit from operating activities decreased by 28% to S$143.2 million (FY2022: S$198.0 million). The share of results of the China associates was a loss of S$10.2 million compared to a profit of S$32.7 million in FY2022. The loss included provisions made with respect to foreseeable losses on the Tianjin project. The profit in FY2022 included sales from the Nanjing project, which was fully handed over in FY2022.

Share of profits from the jointly-controlled entities decreased by 73% to S$12.4 million (FY2022: S$46.0 million), mainly due to lower sales completion for Cape Royale and Seascape in Sentosa Cove.

Fair value loss on investment properties was S$363.9 million (FY2022: S$98.7 million). The Group recorded a fair value loss of S$472.2 million on its London portfolio, which was mitigated by a fair value gain of S$108.3 million on its Singapore portfolio.

Income tax expense of S$40.5 million was recorded in FY2023. The lower tax expense of S$10.8 million in FY2022 included a net tax write-back of S$45.0 million relating to prior years. Excluding the write-back, tax expense would have been S$55.8 million in FY2022.

Consequently, the loss attributable to owners of the Issuer was S$259.8 million compared to a profit of S$165.9 million in FY2022. This translates to a loss per share of 39.13 cents (FY2022: earnings per share of 24.98 cents).

Full Year Ended 31st December 2022 vs Full Year Ended 31st December 2021

For the full year ended 31 December 2022, the Group's revenue increased by 25% year-on-year to S$435.6 million (FY2021: S$347.7 million).

Sale of development properties was higher by 42% year-on-year at S$175.9 million (FY2021: S$124.0 million) as more land lots were handed over to buyers in Australia. This was partially offset by lower sales in Turquoise in Sentosa Cove.

Rental income increased by 16% year-on-year to S$259.7 million (FY2021: S$223.7 million), largely due to rental contributed by The Scalpel which was acquired in March 2022.

Net fair value loss on investment properties was S$98.7 million compared to a net fair value gain of S$53.1 million in FY2021. The Group recorded S$201.9 million fair value loss on its London portfolio, which was partially mitigated by a net fair value gain of S$103.2 million on its Singapore portfolio.

Cost of sales for residential development projects increased by 21% year-on-year to S$126.6 million (FY2021: S$104.3 million) due to higher sales this year. Direct rental expenses increased by 8% year-on-year to S$19.8 million (FY2021: S$18.4 million), mainly due to higher operating expenses in Singapore.

A net exchange loss of S$18.4 million (FY2021: S$5.8 million) was recorded in FY2022, mainly due to the SGD strengthening against AUD, Euro and GBP.

Other operating expenses increased by 24% year-on-year to S$12.0 million (FY2021: S$9.6 million), mainly due to higher professional fees and tax advisory fees incurred in relation to the acquisition of The Scalpel in London.

Overall, profit from operations decreased by 34% year-on-year to S$187.2 million (FY2021: S$281.8 million).

Excluding fair value changes in investment properties, profit from operations would have increased by 25% year-on-year to S$286.0 million in FY2022 (FY2021: S$228.7 million).

Net finance costs increased significantly to S$88.0 million (FY2021: S$39.8 million) mainly due to additional bank borrowings to fund the acquisition of The Scalpel and the development projects in Australia, coupled with rising interest rates.

Share of profits from the China associates decreased by 26% year-on-year to S$32.7 million (FY2021: S$44.2 million), mainly due to fewer units handed over in the Zhuhai project. The decrease was partially mitigated by higher share of profits from the Nanjing project, which started handing over units to buyers in FY2022.

Share of profits from jointly-controlled entities decreased by 36% year-on-year to S$46.0 million (FY2021: S$71.3 million), mainly due to fewer units handed over in the Tangshan project. The decrease was partially offset by higher share of profits from Cape Royale, contributed by sales revenue and the increase in NRV. The Group's share of the NRV increase was S$23.5 million (FY2021: S$17.2 million).

Income tax expense decreased by 39% year-on-year to S$10.8 million (FY2021: S$17.6 million).

Consequently, profit attributable to owners of the Issuer decreased by 50% to S$165.9 million (FY2021: S$330.5 million). This translates to earnings per share of 24.98 cents (FY2021: 49.77 cents).

H. MANAGEMENT OF THE ISSUER

(i) Board of Directors

The Board of the Issuer is made up of nine Directors, comprising three Executive Directors, five Independent Non-Executive Directors and one Non-Independent Non-Executive Director.

Information on the business and working experience of each of the Directors is set out below:

Dr 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 ("**CEO**") 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 the Singapore Federation of Chinese Clan Associations, Singapore Chinese Chamber of Commerce & Industry and Singapore Hokkien Huay Kuan. He is also the Honorary Chairman of Ren Ci Hospital.

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).

Mr Nicholas Chua Wee-Chern

CEO and Executive Director

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

Mr Chua 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 investment portfolio in Europe and the United Kingdom.

As CEO of the Group, Mr Chua 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 graduated with a Bachelor of Science in Finance and Marketing from the University of Oregon, and started his career with DBS Group Holdings Ltd. He is also currently the Chairman of Chua Foundation, providing innovative solutions and financial assistance to Voluntary Welfare Organisations (VWOs) in Singapore.

Mr Ong Chong Hua

Chief Operating Officer ("COO") and Executive Director

Mr Ong Chong Hua joined the Group in August 1995 as an Executive Director and was appointed the Group's COO in 2018. Mr Ong works closely with the Executive Chairman and the Group's CEO in charting the Group's investment, development and marketing strategies. He is also responsible for all operational aspects of the Group's businesses in Singapore and the United Kingdom.

Mr Ong has more than 40 years of experience in the real estate sector. He began his career as a Town Planner with the Urban Redevelopment Authority in 1980 before joining Jones Lang Wootton (now known as Jones Lang LaSalle) in 1990 as the 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.

Mr Lim Swee Say

Lead Independent Director

Mr Lim Swee Say was appointed to the Board in October 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, and NTUC LearningHub Pte. Ltd.. He also serves as a Director of NTUC Enterprise Co-operative Ltd, Temasek Foundation Ltd. and NCS Pte Ltd as well as the Deputy Chairman of Singapore Labour Foundation. Mr Lim is currently an Independent Director of Singapore Telecommunications Limited, Tat Seng Packaging Group Ltd and PSC Corporation 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.

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

Mr Ko Kheng Hwa

Independent and Non-Executive Director

Mr Ko Kheng Hwa was appointed to the Board in 2016. He is currently Chairman of Univers Pte Ltd, a global green technology company. He also serves as Senior or Expert Advisor to several companies.

Public sector leadership positions held previously by Mr Ko include Managing Director of Economic Development Board, CEO of JTC Corporation and CEO of National Computer Board. Business sector leadership appointments held previously include 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; Masters in Management, MIT; and BA (Honours) in Civil Engineering, Cambridge University. A President Scholar, he was also conferred the Public Administration Gold Medal by the Singapore Government.

Ms Josephine Choo Poh Hua

Independent and 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.

Mr Seow Choke Meng

Independent and Non-Executive Director

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

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

Mr Seow is a veteran in the media industry having worked in SPH group for more than 42 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.

Ms Pauline Goh

Independent and Non-Executive Director

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

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

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

Mr Bobby Chin Yoke Choong

Non-Independent Non-Executive Director

Mr Bobby Chin was appointed to the Board in 2006. He was the Managing Partner of KPMG Singapore from 1992 until his retirement in 2005. He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Distinguished Lifetime Member of The Institute of Singapore Chartered Accountants.

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, the Chairman of NTUC FairPrice Co-operative Limited from 2014 to 2022, and the Chairman of the Housing & Development Board from 2016 to 2023.

In addition, Mr Chin was formerly a board member of Singapore Telecommunications Limited, Yeo Hiap Seng Limited, Fraser Logistic & Commercial Asset Management Pte. Ltd. (Manager of Fraser Logistic & Commercial Trust), Singapore Labour Foundation and a former member of the Council of Presidential Advisers.

Mr Chin is currently the Chairman of the Corporate Governance Advisory Committee. Mr Chin sits on the boards of Temasek Holdings (Private) Limited, AV Jennings Limited, Frasers Property Limited, Temasek Trust Limited and Singapore Health Services Pte Ltd.

(ii) Senior Management of the Group

Information on the experience and expertise of each of the key executive officers (who are not Executive Directors) of the Group is set out below:

Mr Chong Hock Chang

Group Director, Projects and Marketing

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

Mr Chong started his career as a valuer at the Inland Revenue Authority of Singapore. He then joined Jones Lang Wootton (now known as Jones Lang LaSalle) as a consultant and undertook major research, feasibility studies and formulated marketing strategies for clients. Mr Chong holds a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore. He currently serves as the Honorary Secretary on the Management Committee of the Real Estate Developers Association of Singapore.

Mr Michael Vindolac

CEO, 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 COO 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.

Mr Li Xiangrun

Head of Finance

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

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

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

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group, or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects of the Issuer and/or the Group. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer, prior to making an investment or divestment decision in relation to the Notes issued under the Programme. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Dealers or the Arranger that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries or associated companies (if any), any of the Dealers or the Arranger or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section on "Forward-Looking Statements" on page 9 of this Information Memorandum.

Any published unaudited interim financial statements in respect of the Issuer or the Group which are included in this Information Memorandum, or which are, from time to time, deemed to be incorporated by reference in this Information Memorandum will not have been audited or subject to review by the auditors in respect of the Issuer and/or the Group, as the case may be, and may be different had they been audited or reviewed.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

Limited liquidity of the Notes issued under the Programme

Notes may have no established trading market when issued and one may never develop. There can be no assurance regarding the future development of the market for the Notes issued under the Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The lack of liquidity may have an adverse effect on the market value of the Notes.

Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

An active trading market for the Notes issued under the Programme may not develop

The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to the liquidity or sustainability of any such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, and are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes may generally have a more limited secondary market and experience more price volatility than conventional debt securities.

Although application will be made for the listing and quotation of any Notes to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that the Issuer will be able to obtain or maintain such listing or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Fluctuation of Market Value of Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including (i) the market for similar notes, (ii) the operating results and/or financial condition of the Issuer, its subsidiaries and/or associated companies (if any), and (iii) the political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the Singapore economy and the economies in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings and the business, financial performance, operating results and/or the financial condition of the Issuer, its subsidiaries and/or associated companies (if any). As a result, the market price of the Notes may be above or below the price at which the Notes were initially issued to the market.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets or may adversely affect the market price of any Series or Tranche of Notes. As a result, the market price of the Notes may be above or below the price at which the Notes were initially issued to the market.

Financial risk

Interest payment, where applicable, and principal repayment for debt occur at specified periods regardless of the performance of the Issuer and/or the Group. The Issuer may be unable to make interest payments or, where applicable, principal repayments under a series of Notes should it suffer a serious decline in net operating cash flows.

Interest Rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Singapore Taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Information Memorandum to 31 December 2028, are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation" on pages 115 to 118 of this Information Memorandum.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for them, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Notes may be issued at a substantial discount or premium

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers, other leverage factors, caps, floors, any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

The Issuer will pay principal and/or interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Modifications and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the CDP and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. And any such modification, authorisation or waiver shall be binding on the Noteholders or Couponholders.

Change of law

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Notes law, or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

The Notes are not secured

The Notes and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Accordingly, on a winding-up of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders. Additionally, there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with the Common Depositary, or lodged with CDP and/or such other clearing system (each of Euroclear, Clearstream, Luxembourg, CDP and such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Securities. The relevant Clearing System(s) and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes held through it. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the relevant Clearing Systems and their respective participants.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to CDP or such other Clearing System and its participants, as the case may be, for distribution to their account holders.

A holder of beneficial interest in the Global Notes must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

The Trustee may request the Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before taking action on behalf of Noteholders

In certain circumstances (including, without limitation, pursuant to Condition 10 of the Notes), the Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Noteholders

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, with the consent of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number (or such number as the court may order) representing at least 75% in value of creditors and the court approve such scheme. In respect of such schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing at least 75% in value of the creditors meant to be bound by the scheme and who were present and voting (either in person or by proxy) at the relevant meeting have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with the Notes. However, it may apply to other related contracts that are not found to be directly connected with the Notes.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks".

Reference rates and indices which are deemed to be, or used as, "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union ("**EU**"). Among other things, it (a) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation, as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the "**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Specifically, the sustainability of London Interbank Offered Rate ("**LIBOR**") has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or by 30 June 2023.

Separately, the Euro risk free-rate working group for the Euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new Euro denominated cash products (including bonds) referencing the Euro Interbank Offered Rate ("**EURIBOR**"). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the Euro area financial system. On 11 May 2021, the Euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

In addition, as the Singapore Dollar Swap Offer Rate ("**SOR**") methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after June 2023 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it had established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for the Singapore Interbank Offered Rate ("**SIBOR**") and to amend the methodology for determining SIBOR. The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and the Steering Committee for SOR & SIBOR Transition to SORA ("**SC-STS**") (together, the "**Committees**") laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR was discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR having been discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end-2024.

In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR linked financial products, which was updated on 5 August 2021 and 18 July 2022. On 14 December 2022, the SC-STS published an implementation paper setting out technical details for the implementation of SC-STS' supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STS' supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA. The SC-STS has also published an adjustment spread calculator which market participants have been encouraged to use for the purpose of supporting the active transition of SOR loans to SORA.

Investors should note that, subject further to the terms of the relevant Notes, such announcements set out in the preceding paragraphs may be construed as a relevant Benchmark Event (as defined in the Conditions) having occurred.

It is not possible to predict with certainty whether, and to what extent, any benchmark will continue to be supported going forward. This may cause such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark, (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmark Regulations, as applicable, or any of the national or international reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted. Please refer to the risk factor entitled *"The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks""* for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest reference rates for the bond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that interest on the Notes which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date. It may be difficult for investors in Notes which reference any such risk free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to SIBOR-linked securities, if Notes referencing SORA become due and payable as a result of an event of default under the Conditions, the rate of interest payable for the final Interest Period in respect of such Notes may only be determined on the date which the Notes become due and payable. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk free rates in the bond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk free rates.

In particular, investors should be aware that several different methodologies have been used in risk free rate securities issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk free rates, including various ways to produce term versions of certain risk free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk free rates. If the relevant risk free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk free rates may be lower than those of securities referencing indices that are more widely used.

Risk free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates, such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk free rates nor should they rely on any hypothetical data.

Since risk free rates are relatively new market indices, Notes linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Notes which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Denomination Amount such that its holding amounts to a minimum Denomination Amount. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Denomination Amount in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Denomination Amounts. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

Risk factors relating to property investment and development

Higher interest rates may have negative consequences on the Group's revenue and business, financial condition and results of operations

Any increase in interest rates in Singapore and/or any of the other countries in which the Group operates may negatively impact the Group's residential and commercial property developments. In particular, it is uncertain how and to what extent the U.S. Federal Reserve's policy decisions in relation to the benchmark federal funds rate will affect the rates of interest in the countries in which the Group operates. The U.S. Federal Reserve has raised the benchmark federal-funds rate eleven times from near zero in March 2022 to a range of 5.25 per cent. to 5.5 per cent in July 2023, which has been the fastest increase in the last four decades. It is uncertain whether and to what extent the U.S. Federal Reserve will further raise or maintain the benchmark federal funds rate, and there is no assurance that the benchmark federal funds rate will be lowered in the near future.

Higher interest rates generally impact the real estate industry by making it harder for consumers to secure financing, which can lead to a decrease in the demand for residential and commercial sites. The level of the interest rates is also an important parameter for the valuation of real estate, and a change in one of the assumptions used or factors considered in making a property's valuation could considerably decrease or increase the value of the property. For example, the rise in the interest rates by the Bank of England has contributed to an expansion of the capitalisation rates adopted for the valuation in the UK commercial properties, resulting in a lower valuation for the UK commercial properties. Moreover, as a substantial portion of the Group's banking facilities are based on a floating rate of interest, an increase in interest rates will lead to higher borrowing costs and lower profits overall for the Group. Holding costs for the Group's projects are also directly correlated to the rates of interests. Any decline in rental levels or market values, or spike in borrowing costs or holding costs, may adversely affect the revenues, business, financial condition and results of operations of the Group and accordingly the Issuer's ability to meet its obligations under the Notes.

The Group is exposed to interest rate risks

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expenses could be affected by an adverse movement in interest rates. Surplus cash balances are placed with reputable banks and financial institutions on varying maturities and interest rate terms. The Group has also incurred indebtedness to finance its corporate activities and operations. As at 31 December 2023, all of the Group's bank loans are pegged to floating rates, of which 29.9% are hedged to fixed rates, and 70.1% of the Group's bank loans remain exposed to the floating interest rates. The interest cost to be borne by the Group for its floating interest rate borrowings will be subject to fluctuations in interest rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks which may result in the banks passing on higher cost of funds to the borrower. Where appropriate, the Group may seek to minimise its cash flow interest rate exposure by entering into interest rate swap contracts to swap floating interest rates to fixed interest rates over the duration of the borrowings. However, there can be no assurance that the hedging policy will adequately cover the Group's exposure to interest rate fluctuations. As a result, the Group's revenues, business, financial condition and results of operations may be materially and adversely affected.

The Group's strategy of investing in office properties as a key source of rental income may entail a higher level of risk compared to other real estate companies that have a more diverse range of investments

As of 31 December 2023, 75% of the value of the Group's property portfolio consisted of commercial properties, which largely comprised office properties. Furthermore, rental income from investment properties, which is heavily concentrated in office properties, was a main contributor to the Group's revenue growth to S$444.9 million for the financial year ended 31 December 2023 and constituted approximately 57.5% of the Group's total revenue. As such, the Group will be subject to risks inherent in concentrating on investments in office properties. The level of risk of the Group's portfolio could be higher compared to other types of real estate companies that have a more diverse range of investments. A concentration of investments in a portfolio of such specific real estate assets exposes the Group to both a downturn in the real estate market as well as the job industry and general economic climate in each of its respective countries of operation. In addition, the nature of the office rental industry makes it particularly susceptible to a downturn in the economy. A lagging economy could lead to retrenchments and job losses, which, in turn, would lead to a reduction in demand for office space and a decline in occupancy for office properties.

Furthermore, hybrid working and work-from-home arrangements are expected to continue in some form following their widespread adoption during the COVID-19 pandemic, which may result in a reduction in demand for office space and a decline in occupancy for office properties.

These may affect the Group's rental income from the tenants of the properties in the Group's portfolio, or may result in a decline in the capital value of the properties, either of which may lead to an adverse effect on the Group's business, financial condition and results of operations.

The Group's investment properties and property development business are heavily dependent on the performance of the real estate market in Singapore, UK and in the jurisdictions in which it operates

Most of the Group's existing investment properties are located in Singapore and the UK. The Group also has property interests in Australia, Europe and China, and may from time to time expand into new markets. The success of the Group's investment properties and property development business therefore depends heavily on the continued growth of the real estate markets in Singapore, the UK and in the jurisdictions in which it operates. The Group's financial condition, results of operations and profitability may be materially and adversely affected by any adverse development in the supply of or demand for property or property prices in Singapore, the UK and/or in the jurisdictions in which it operates. A downturn in the real estate market may lead to a decline in the rental income in the Group's properties and/or a decline in the capital value of the Group's properties and development projects, which may have an adverse impact on the results of operations and the financial condition of the Group.

The Group may not be able to generate adequate returns on its properties held for long-term purposes

The Group's investment in properties held for long-term purposes is subject to varying degrees of risk. The investment returns available from investments in real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties and expenses incurred. Maximising yields from properties held for long-term investment also hinges to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors including, but not limited to, changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants as well as the costs resulting from periodic maintenance, repair and re-letting. In the case of older properties, the revenue derived from and the value of property investment may further be adversely affected by the need to undertake major renovations that require capital expenditure, which may result in loss of rental income during the period of renovation, as well as the inability of the owner to provide adequate maintenance to preserve the value of the investment. If the Group expands the property investment aspect of the Group's business but is unable to generate adequate returns, the Group's financial condition and results of operations may be adversely affected.

Rental income stream from, and the value of, the Groups' investment properties may be adversely affected by a number of factors

In 2023, the Issuer's rental income and service charges from investment properties constituted approximately 57.5% of its total revenue. The amount of cash flow available to the Issuer to make interest payments on the Notes will therefore depend significantly on the Issuer's ability to continue to let its investment properties on economically favourable terms. The Issuer's cash flow could be adversely affected by any significant decline in the rental rates at which it is able to lease its investment properties and by its ability to renew existing leases or attract new tenants. Rental revenue may also decrease for a number of reasons including the lowering of occupancy rates, insolvency or delay in the payment of rent by tenants. During times of economic recession, these risks will increase.

There can be no assurance that rental rates will not decline and that such decline will not have an adverse effect on the cash flow of the Issuer. Factors that may adversely affect the revenue earned from, and the value of, the Group's investment properties include but are not limited to:

- vacancies following the expiry or termination of leases that lead to lower occupancy rates which reduce the Issuer's revenue and its ability to recover certain operating costs (such as through a service charge);

- tenants requesting for rental rebates due to the impact of an economic downturn on their respective businesses and market pressure;

- tenants requesting waivers of interest on late payment of rent;

- the ability of tenants to pay rent on a timely basis or at all;

- the quality of the tenants and the financial strength of their businesses;

- the attractiveness of the Group's investment properties and each of their respective locations thereof;

- in respect of the investment properties of the Group which feature a retail component, the compatibility of, and development progress of, assets in areas surrounding such investment properties which may have a direct impact on shopper traffic;

- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease which could hinder or delay the re-letting of the space in question, or the sale of the Group's investment properties;

- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;

- competition for tenants from other properties which may affect rental levels or occupancy levels of the investment properties of the Group and/or competitors' initiatives to increase the attractiveness of their investment properties (for example, upgrades to their facilities);

- the economic climate and real estate market conditions in Singapore, the UK, China, Australia or Europe (such as oversupply of, or reduced demand, for office and/or retail space, inflation, changes in market rental rates and operating expenses of the Group's investment properties);

- changes in laws and governmental regulations in relation to real estate, including those governing the environment, ownership, real estate development, usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the investment properties held by the Group may also be restricted by legislative actions, such as revisions to the laws relating to environmental and building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment;

- price and wage controls, taxation, expropriation and other political, economic or diplomatic developments in or affecting Singapore, the UK, China, Australia or Europe;

- any environmental claims in respect of real estate; and/or
- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Issuer.

The Group faces increasing competition

The Group is a medium-sized real estate business which competes with larger domestic and international companies in both the domestic and overseas markets, including property developers and real estate funds in the Singapore market, real estate investment funds in the UK market and Australian property developers in the Australian market. Such competition pervades both its property investment and property development businesses in which the Group operates.

On the property investment end, the supply of similar rental properties at comparable or lower rental rates by competitors may adversely affect the attractiveness of the Group's commercial properties and, as a result, the value of the Group's investment properties as well as the contribution of rental income from the Group's investment properties to its overall turnover.

Intensified competition between real estate companies and funds may also result in increased costs for land acquisition, lower profit margins and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business.

There can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities may not have a material adverse effect on its business, financial condition and results of operations.

Changing market conditions may adversely affect the Group's financial condition

Property markets tend to be cyclical and are subject to changes in economic outlook and financial market volatility. Any such changes are likely to have an impact on the Group's rental revenues and property values. The Group has experienced in the past, and expects to experience in the future, the negative impact of periods of economic slowdown or recession and corresponding declines in the demand for property for rent or for sale in the markets in which it operates. The Group's decision to hold, lease, buy or sell properties may not deliver the expected returns or may fail to meet value or performance expectations because of the Group's failure to anticipate the market cycle correctly. Entering into tenancy agreements, buying or selling at the wrong point in the property cycle or in the wrong location could lead to an underperformance of the Group's portfolio.

Timing of launching new projects is the key to securing sales of units at optimal sales prices. A downturn in the property market leading to lower property values may result in the Group having to delay the launches of new developments. This will result in increased holding costs until the development properties are sold. Further, property development requires significant capital outlays and returns on capital are not achieved until cash is received from pre-sale, sales or leases. The size of the capital outlays and number of parties involved in a property development project make it difficult to change property development plans once set. As a result, the Group may not be able to adjust its plans or reallocate its resources to adapt to rapidly changing market conditions. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year. Consequently, changes in the business environment or market condition, such as changes in customer tastes, market prices and the desirability of a location, during the length of the project may affect the revenue and cost of the development, which in turn has a direct impact on the profitability of the projects and the financial condition of the Group.

Fluctuations in the value of the currencies of the countries in which the Group operates may have a material and adverse effect on the Group

The Group has a business presence overseas and, as a result, is exposed to movements in foreign exchange rates. The Group holds assets, collects revenue, incurs liabilities and expenses and borrows and transacts in the domestic currency of the countries it operates in, while its reporting currency is in Singapore dollars. This being the case, some of the Group's activities and income, costs and operating cash flows are exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the respective local currencies of the countries in which the Group operates or has investments, when the assets and liabilities are translated into Singapore dollars for financial reporting purposes. Consequently, portions of the Group's costs and margins may be affected by fluctuations in the exchange rates between these currencies.

The value of the British pound, Renminbi, Euro or Australian dollar against the Singapore dollar, U.S. dollar and other currencies is affected by, amongst other things, changes in the UK's, China's, EU's or Australia's political and economic conditions respectively. Any significant revaluation of the British pound, Renminbi, Euro or Australian dollar may materially and adversely affect the Group's cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, the shares in foreign currency terms.

To mitigate this risk, the Group may adopt a natural hedge by funding its operations and investments in the relevant local currency to mitigate its exposure to exchange rate fluctuations. The Group may also enter into foreign exchange contracts, where appropriate, to hedge against the risk of foreign exchange fluctuations resulting from its overseas operations. However, the impact of future exchange rate fluctuations on the Group's cost, profit margins and asset values cannot be accurately predicted, and there is no assurance that the Group's hedging measures can adequately protect the Group from material adverse effects arising from the fluctuations in the relative values of the Singapore dollar and foreign currencies, which may result in a financial loss. Some of the currencies may also not be convertible or exchangeable or may be subject to exchange controls.

The Group is dependent on the performance of the property industry in the countries it operates in

The Group's real estate business is subject to the performance of the property industry in the countries it operates in, where property prices are largely affected by supply and demand for properties. The demand for properties could be adversely affected by any of the following:

- weakness in the local and regional economies;
- competition from other property companies;
- surge in supply of properties for sale;
- adverse government regulation;
- absence of financing for the purchase of properties; and/or
- higher interest rates.

To the extent that any of these factors occur, they are likely to impact the demand for the Group's properties and pricing which will then affect the business, financial condition, results of operations and prospects of the Group and the value of the Group's properties. The Group may also incur losses in its property development business by retaining unsold properties or selling them below cost in a depressed market. In the event that the Group is unable to sell its unsold properties, the Group may incur holding costs, including interest costs and maintenance costs.

The tenants of the properties in the Groups' portfolio may not renew or may terminate their respective leases of the properties in the portfolio

No assurance can be given that the tenants of the properties in the Group's portfolio will exercise any option to renew their leases of the properties in the portfolio upon the expiry of their respective leases. In such a situation, the Group may not be able to locate suitable replacement lessees or a master lessee, and the Group may consequently lose a significant portion of its revenue. In addition, replacement of the tenants of the properties in the portfolio on satisfactory terms may not be possible in a timely manner. The failure on the part of the tenants of the properties in the Group's portfolio to renew their leases of the properties in the portfolio upon the expiry of their respective leases, or the termination of any of the lease agreements with the tenants of the properties in the portfolio, may have an adverse effect on the Group's gross revenue and, consequently, its business, financial condition and results of operations.

The Group is subject to risks associated with the development of residential and commercial properties

A significant portion of the Group's business is dedicated to the development of residential and commercial properties. Property developments typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cashflows may be generated through pre-sales or sales of completed property developments.

A significant amount of funds is required for property development and investment projects. The Group finances its property development and investment projects largely through internally generated funds as well as debt financing. The ability of the Group to undertake its property development and investment projects is subject to its ability to secure adequate funding. In addition, it is charged interest at rates which may fluctuate according to market rates charged by commercial banks, and its profitability may be adversely affected in the event that the interest expense arising from such debt financing is underestimated.

The time taken and the costs involved in completing a property development project can be adversely affected by many factors, including shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government priorities, unexpected delay in obtaining required approvals, licences, permits, allocations or authorisations, and other unforeseen problems or circumstances. Any delay in the completion of a property development project may result in cost overruns and increased financing costs and may also expose the Group to claims for liquidated damages from the purchasers of the property development projects which may adversely affect the Group's profitability.

Factors that may affect the profitability of a project also include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget, the availability of financing and lacklustre sales of the properties. The sales and the value of a property development project may be adversely affected by a number of factors including, but not limited to, the international, regional and local political and economic climate, local real estate conditions, perceptions of property buyers, competition from other available properties, changes in market rates for comparable sales and increased business and operating costs. If any of the property development risks described above materialise, the Group's returns on investments may be lower than originally expected, and the Group's financial performance may be materially and adversely affected.

The Group may not be able to successfully manage its land inventory, particularly in Australia, which could adversely affect its margins

In the business of property development, the Group needs to identify the right land for property development in order to achieve good investment returns. The Group cannot assure investors that the measures it employs to manage land inventory risks will be successful and cannot guarantee that suitable land plots and properties will always be available for the Group's acquisition, development and/or investment. In the event of significant changes in economic, political, security or market conditions, the Group may have to sell subdivision lots and property units at significantly lower margins or at a loss. Changes in regulatory, economic or market conditions may also require the Group to defer the commencement of residential and land development projects. This would require the Group to continue to carry the cost of acquired but undeveloped land on its statement of financial position, as well as reduce the amount of property available for sale. Any of the foregoing events could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to risks in relation to pre-sold properties

The Group faces risks relating to the pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses will not exceed the purchase price paid for the pre-sold units. In addition, if pre-sold property development is not completed on time, the buyers of pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as longer time taken and higher costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, dispute with contractors, accidents and changes in government priorities and policies. If the delay extends beyond the contractually specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays. Further, a high default rate of the buyers under their respective sale agreements could have an adverse effect on the Group's property development business, cashflow and financial position.

There is also a risk that due to conditions in the financial markets or difficult economic conditions, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. The ability of purchasers to obtain credit to finance their purchases may also be affected by changes in government policies, laws and regulations. This may result in such purchasers delaying or being unable to meet their payment obligations with respect to such pre-sold properties, which may materially and adversely affect the Group's business, financial condition and results of operations.

The Group may encounter problems with its joint ventures that may adversely affect its business

The Group has, and expects to have, interests in joint venture entities in connection with its property development plans in the future. Depending on the nature of the Group's equity interest and the extent of its involvement in such projects, the Group may not be able to control the decision-making process of joint venture projects without reference to its joint venture partners. In addition, there is no assurance that any new joint ventures that the Group enters into will yield their anticipated benefits. There may be disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures which may not be resolved amicably. In addition, the Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with that of the Group, (ii) take actions contrary to the Group's instructions, requests, policies or objectives, (iii) be unable or unwilling to fulfil their obligations, (iv) have financial difficulties, or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may, in turn, materially and adversely affect the Group's financial condition and results of operations.

Political uncertainties or new government regulations such as restrictions on ownership or changes in economic, business and operating conditions may also result in a decline in the Group's investment in these joint venture entities and associated companies or a loss in its ability to influence the management and directors of, and the decisions made by, these joint venture entities and associated companies. Additionally, in light of the current economic climate, the Group's joint venture partners may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises) or may experience a decline in creditworthiness. Although joint venture agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and the Group would generally seek to enforce its rights as enumerated within such agreements, the occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures. There is no assurance that the Group will not encounter such risks that may have a material adverse effect on its business, financial condition and results of operations in the future.

The Groups' performance may be affected by changes in commodity prices

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete, in its property development operations. As a property developer, in general, the Group enters into fixed or guaranteed maximum-price construction contracts with independent construction companies, each of which affects the development of a significant part of its overall development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period. Therefore, should the price of building materials increase significantly prior to the Group entering into a fixed or guaranteed maximum price construction contract, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to existing or prospective contractors, which could materially and adversely affect the Group's results of operations and financial condition.

The Group relies on independent contractors to provide property development products and services

The Group engages independent third-party contractors to provide significant property development services, including construction, piling and foundation, building and property fitting-out work, interior decoration and installation of air-conditioning units and elevators. There can be no assurance that the services rendered by any such independent contractor or any subcontractor will be completed in a timely manner or of satisfactory quality. If these services are not timely or of acceptable quality, the Group may incur substantial costs to complete the projects and remedy any defects, and the Group's reputation could be significantly harmed. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually, and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out construction or related work, resulting in delays in the completion of the Group's development projects or resulting in additional costs. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's financial condition, results of operations or reputation. There is no assurance that such problems with the Group's contractors will not occur in the future.

The Group's financial performance and business may be affected by changes in government laws and regulation (and in particular foreign ownership laws and tax laws) in the countries where it operates

The Group currently owns, or may in the future own, properties in Singapore, Australia, China, Europe and the UK. In these countries, the Group's acquisition of property as well as the Group's ownership, operation and rights in respect of such properties are subject to various laws and regulations and policies of government and regulatory authorities in these jurisdictions. Such laws and regulations (including without limitation, restrictions on foreign ownership of properties) can impose limitations on the Group's operations and plans with respect to the Group's properties. Compliance with, as well as failure to comply with such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of the Group.

These governments may also introduce new regulations or amend or abolish existing regulations at any time and these policies may have retroactive effect. The Group is unable to foresee the nature of governmental laws and regulations applicable to its operations or properties that may be introduced in future. Laws and regulations governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities and by the courts. At times, the interpretation, application or enforcement of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Such laws and regulations may become more stringent or onerous in the future and if additional compliance procedures are introduced, the Group's operational costs may increase.

Additionally, the Group operates in numerous tax jurisdictions. Changes in tax laws in any of those jurisdictions may have adverse consequences to the Group's profits. The Group's interpretation and application of various tax laws may be challenged, with the possible result of the Group having to incur unforeseen tax liabilities. The Group is exposed to various types of taxes, including but not limited to income tax, withholding tax, capital gains tax, property tax and other taxes specifically imposed for the ownership of such assets. While the Group intends to manage the taxation in each country efficiently, there can be no assurance that the desired tax outcome will be achieved. In addition, the level of taxation in each country is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes.

The Group may be affected by changes in regulatory, political, legal and social conditions

The Group currently operates and/or has investments in Singapore, China, Malaysia, Hong Kong, Japan and Australia and, as part of its future plans, the Group may consider expanding its businesses further overseas. Any unfavourable changes in the political, economic and social conditions, laws or government policies of these countries could materially and adversely affect its business, financial condition, results of operations and future growth. In particular, changes in the immigration laws and policies of these countries may cause changes in immigration levels (including, without limitation, a reduction in the influx of expatriates) and lead to changes in housing demand, which may in turn have a material and adverse effect on the results of operations and the financial condition of the Group.

In addition, risks of doing business abroad include but are not limited to (a) political upheavals, internal strife, civil commotions, strikes and riots; (b) expropriation or seizure of property; (c) nullification, renegotiation or modification of existing agreements; (d) import/export quotas, trade tariffs, embargoes and other forms of public and governmental regulation; (e) unfavourable taxes, tax increases and retroactive tax claims; (f) currency exchange rate fluctuations, devaluations and restrictions on currency repatriation; and (g) insurrection or war that may disrupt or limit markets. The occurrence of these political, economic and social conditions in countries (i) where the Group currently operates and has investments and (ii) where it may operate or have investments in the future, may affect its ability to operate or invest in those countries.

The Group may not always be able to obtain timely approval, if at all, for its development projects

In order to develop and complete a property development, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals, especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. If the Group fails to obtain relevant approvals or fulfil the conditions of those approvals for its property developments, these developments may not proceed as scheduled, and the Group's businesses, financial condition and results of operations may be adversely affected.

The Group may not be able to identify new property development projects and source for new land sites at commercially acceptable prices

The Group believes that sourcing for high-quality land for future development remains one of its growth strategies. The Group competes with other property developers for the sourcing of land sites and is subject to the availability of suitable land sites at commercially acceptable prices. The Group's inability to identify and acquire attractive new sites at commercially acceptable prices could impair the Group's ability to compete with other property developers which may materially and adversely affect the Group's ability to grow its business and maintain its profitability.

The Group's real estate investments may be illiquid

Real estate investments are generally illiquid. Such illiquidity limits the ability of an owner or a developer to convert real estate assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of the Group to vary its portfolio in response to changes in the economy, real estate market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the Group's ability to make expected returns. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity.

The Group relies on key management personnel, and the Group's business may be adversely affected by any inability to recruit, train, retain and motivate key employees

The Group believes that its management team contributes significant experience and expertise to the management and growth of the Group's business. The continued success of the Group's business and the Group's ability to execute its business strategies in the future will depend in large part on the efforts of the Group's key personnel and its ability to attract and retain a team of experienced professional managers. The loss of any key management staff, and with them any such experience, knowledge, business relationships and expertise, for any reason, without suitable and timely replacement, and the inability to attract, train and retain qualified and experienced management personnel may lead to the loss or deterioration of important business relations as well as the management's ability to implement plans and maintain operational effectiveness. This may in turn have an adverse impact on the Group's operations, thereby adversely affecting the Group's financial position and profitability.

The Group may be subject to litigation and other proceedings

Legal proceedings against the Group and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that the Group and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of the Group.

The Group is regulated by various government authorities and regulations. If any government authority believes that the Group or any of its tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the Group's properties, enjoin future action or (in the case of the Group's subsidiaries not being in compliance with the regulations) assess civil and/or criminal penalties against the Group, its directors, officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of The Group.

The Group faces technology and cyber risks which are evolving in nature including risks from the regulation of data privacy, technology, and cyber security

Advancements in various technologies, such as the increasing interconnectivity of businesses and global reliance on the Internet, cloud services and social media for doing business, introduces risk to the business environment and the service support that the Group relies upon for its business activities. External risks include threats such as data theft and leakage, technological disruptions affecting the Group's existing business lines, disruptive cyberattacks and actions by governments to regulate data privacy or technology usage. Internal risks include the failure to implement proper systems or processes against external threats, undetected inadequacies in existing legacy systems and processes and the failure to adequately keep up with technological advancements so as to mitigate such risks. There is no assurance that the Group is able to fully keep up with technological changes and cyber-risks. If the Group is unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches which in turn disrupt operations or result in the unintended dissemination of sensitive personal information or proprietary or confidential information, the Group may incur financial losses, substantial regulatory fines or penalties, liability, reputational harm, and the downtime required to rectify any such security breaches. Such breaches may disrupt the Group's business and/or have material adverse effects on its business, financial condition, results of operations and prospects.

Potential liability for environmental problems could result in substantial costs

The Group is subject to a variety of laws and regulations concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

If the Group fails to comply with existing or future environmental laws and regulations in the countries in which it operates, its reputation may be damaged or it may be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Furthermore, the Group also faces the risk of disruptions from activists advocating for stricter environmental laws and regulations in the jurisdictions it conducts business, potentially impacting its operations and strategic plans. In the face of heightened scrutiny from activists, the Group may find itself embroiled in protracted legal battles, facing allegations of environmental negligence, harm to local ecosystems, or adverse impacts on nearby communities. These legal challenges can drain the Group's financial resources, divert management attention from core business activities, and prolong periods of uncertainty, disrupting strategic planning and eroding investor confidence.

The due diligence exercise on the properties, leases, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows

The Group believes that reasonable due diligence investigations with respect to its properties were, and with respect to future acquisitions will be, conducted prior to their acquisition. However, there is no assurance that the Group's properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings and cash flows. Should any of the Group's properties or their holding entities not be in compliance with certain laws and regulations, the Group may also incur financial or other obligations in relation to such breaches or non-compliance.

Statutory or contractual representations, warranties and indemnities given by any seller of the Group's properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Economic and social conditions globally and in the countries where the Group operates may adversely impact the Group

Political, economic and other factors such as the ongoing conflict between Russia and Ukraine and the outbreak of war in the Gaza Strip and the impact of such continued geopolitical tensions and uncertainties on the global economy, the effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including those of the United States, the rising interest rate environment, rising inflation, rising energy costs, supply chain disruptions and the impact of the global downturn on the economies of the countries in which the Group's businesses are located could adversely affect the Group's business, financial condition, prospects and results of operations.

Since 2022, the global economy and credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Recently, the financial conditions of selected banking institutions have come under severe pressure and deterioration, as exemplified by the restructuring of Credit Suisse Group AG and the failures of Silicon Valley Bank and Signature Bank in the first quarter of 2023, which has caused increased volatility in capital markets.

These and other related events have had a significant impact on the global capital markets, credit and financial markets as a whole. This, in turn, will impede the Group's ability to borrow from financial institutions for property-related purposes and increase the Group's risk of counterparty default. These events could adversely affect the Group's business, financial condition, prospects and results of operations, as a result of, among other things, the failure of financial and other institutions, negatively impacting treasury operations including, but not limited to, counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

In addition, trade frictions between the largest trading partners in the world and a number of other events have contributed to trade uncertainties. Among other things, the ongoing trade war between the U.S. and China, the volatile trade relationship between Australia and China (with China imposing trade restrictions on Australian imports), the large fiscal deficit incurred by the U.S., significant uncertainty regarding the rising debt burden and a slowdown of growth in China which has affected consumer confidence and concerns about the Chinese economy, Europe remaining on the path of economic recovery, as well as the exit of the United Kingdom from the EU, could undermine the stability of global economies and result in a general global economic downturn or recession or even a financial crisis, which could have a material adverse effect on the Group's business, results of operations, financial condition, profitability, liquidity and/or prospects.

Such uncertain and unfavourable economic and political conditions could have a collateral effect on growth and financial performance in trade-exposed economies such as Singapore, China and Australia. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not adversely affect its operations. These political upheavals have caused significant geopolitical and economic uncertainty across the world, which could have the effect of decreasing international trade and investment.

These events have damaged, and may continue to damage, market confidence and access to and costs of funding, and may slow down the activity of the Group and have other impacts on the entities with which it does business. For example:

(i) a slowdown in economic growth and reduced availability of credit may result in a lower demand for commercial and residential properties and declining property prices and rents;

(ii) a slowdown in economic growth may adversely impact homeowners and potential property purchasers, and in turn, lead to a decline in the general demand for property products and a further erosion of their selling prices;

(iii) a tightening of credit can negatively impact the ability of property developers and potential property purchasers to obtain financing;

(iv) consumers and businesses are generally more cautious when making decisions to purchase property and/or when making or renewing new leases; and

(v) a negative impact on the ability of its tenants to pay their rents in a timely manner or to continue their leases, thereby reducing the Group's cash flow.

Other effects include, but are not limited to, decreases in valuations of the Group's properties, decreases in the sales of, or prices for residential or commercial developments, deferment in the construction of development projects, delays in the sales launches of the Group's residential projects in order to take advantage of future periods of more robust real estate demand, decreases in rental or occupancy rates for commercial properties, insolvency of contractors resulting in construction delays, the inability of customers to obtain credit to finance purchases of properties and/or customer insolvencies, defaults by customers on their purchases of the Group's properties and the granting to the Group's customers of an extension of time to pay for their purchases of the Group's properties.

Such events could adversely affect the Group's business, financial condition, prospects and results of operations.

The Group may suffer material losses in excess of insurance proceeds

The Group maintains insurance policies covering its properties in line with general market practice and legal requirements. Where practicable, the Group also maintains certain property damage, business interruption and general liability insurance in the various countries in which it operates.

Certain types of risks (such as risk of war, acts of God, certain terrorist acts and losses caused by the outbreak of contagious diseases) may be uninsurable or the cost of insurance may be prohibitive. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose the capital invested in the affected property as well as anticipated future revenue from that property. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that uninsured losses or losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms, at commercially reasonable rates or at all. Such an event would adversely affect the business, financial condition, results of operations and prospects of the Group.

The Issuer faces risks associated with debt financing

The property development and property investment sectors are capital-intensive. The Group does routinely seek external debt financing and, as such, it has significant obligations to service its borrowings. In recent years, credit markets worldwide have experienced significant volatility, including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and commercial lending markets worldwide. The Issuer's ability to obtain debt financing or funds on acceptable terms will depend on a number of factors, including capital market conditions, general economic and political conditions, the general condition of the property market, the general condition of the property market, the acceptability of the financing terms offered, the Issuer's performance and credit rating and credit availability.

Any deterioration or decline in lending activity may result in the Group incurring increasing financing costs associated with the Group's levels of debt in order to raise additional funds. The Group cannot ensure that future financing will be available or available on acceptable terms or in an amount sufficient to fund its needs. In the event that the Group is unable to obtain acceptable financing, it may not be able to undertake certain new projects, and the Group's operational results may be adversely affected.

Bank facilities granted to the Group usually come attached with interest components, a substantial proportion of which are at a floating rate. The interest rates may vary according to prevailing market interest rates. In the event that the provision for interest expense is inadequate, the Group's financial performance may be adversely affected. Any increase in the costs of financing as a result of an increase in interest rates will also affect the profitability of the Group.

As security for payment under such financing, the Group may also be required to mortgage or pledge certain of its assets to the lenders and/or assign sale and rental proceeds, performance bonds and insurances in respect of its properties to these lenders.

The Group is therefore subject to the risks typically associated with significant debt levels, such as the risk of not being able to meet principal or interest payments, in the event of which it also risks the lenders foreclosing on its properties or effecting forced sales, resulting in a loss of assets and income to the Group and adversely affecting its financial performance.

The Group has incurred net losses and may continue to experience losses in the future

The Group incurred net losses of S$259,037,000 for the year ended 31 December 2023, and it may continue to incur losses in the future. The Group may incur losses in the future for a number of reasons, including but not limited to the risks posed by higher interest rates, elevated capitalisation rates and corresponding fair value losses, and may further encounter unforeseen expenses, difficulties, complications, delays and other unknown events. The Group's ability to achieve and maintain profitability depends on a number of factors, including but not limited to the operational performance of the Group, the continued growth and maintenance of its customer base, its ability to control its costs and expenses and its ability to continue to lease its properties on economically favourable terms. In addition, the Group's ability to achieve profitability is affected by many factors beyond its control, including but not limited to the overall demand for commercial and residential property in the jurisdictions in which the Group operates and general economic conditions. The occurrence of one or more of the above risks may have an adverse effect on the Group's business, financial condition and/or results of operations, and it may continue to incur losses in the future.

Risk factors relating to Singapore

The Group's business is dependent on the performance of the real estate market in Singapore

A significant proportion of the Group's existing properties are located in Singapore. As such, the success of the Group's business depends on the continued growth of the real estate market in Singapore. The Group is exposed to any adverse development in the property prices or supply of or demand for property in Singapore. The Singapore real estate market is currently facing economic headwinds domestically, ongoing geopolitical risks abroad, inflationary pressures and a sustained high interest rate environment. The confluence of these factors, as well as other adverse developments domestically and abroad, may significantly dampen property demand and valuations. There is no guarantee that any such adverse developments will not have a material and adverse effect on the Group's financial condition, results of operations and profitability.

The Groups' business may be affected by changes in government policies, including governmental measures to cool the property market in Singapore

The Singapore residential property market is subject to varying degrees of government regulations over, and policies on, among other things, land and title acquisition, development planning and design and construction and mortgage financing and refinancing. The Singapore government is actively involved in the development, construction and sale of housing to middle- and lower-income families through its public housing scheme. The Singapore government is also a major supplier of land to private developers, and regulation of land supply through the availability of sites for tender under the Singapore government's Land Sales Programme, which is reviewed on a half-yearly basis, as well as changes in en bloc legislation may affect land supply and pricing. The Singapore government has exercised and continues to exercise significant influence over Singapore's property industry, and the policies of the Singapore government concerning the economy or the real estate sector, or any change therein, could have a material adverse effect on the business of the Group. For example, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, increases in foreign worker levies and changes in laws relating to sustainable development, environmental controls, building codes, stamp duty, property tax, income tax and capital gains tax could adversely affect the profitability of the Group. No assurance can be given that the Singapore government will not introduce or amend legislation or policies in the future that would adversely affect the Singapore property market.

Specifically, the Singapore government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees. In recent years, it has implemented a series of measures to cool the Singapore property market and maintain a stable and sustainable property market where prices move in line with economic fundamentals. For instance, on 13 January 2011, the Singapore government announced the extension of the holding period for imposition of the seller's stamp duty ("**SSD**") on residential properties from three years to four years based on new rates. The new SSD rates, ranging from 4% to 16%, will be imposed on residential properties which are acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013, July 2018, December 2021 and April 2023. ABSD, ranging from 5% to 65%, is to be paid by certain groups of people who buy or acquire residential properties (including residential land). Further, the Group may, where necessary, apply for ABSD remission, and if granted, the IRAS may impose conditions on the Group in connection with the grant of such ABSD remission. If such conditions are not met, ABSD will be payable with interest. In addition, under the Qualifying Certificate rules under the Residential Property Act 1976 of Singapore, all developers with non-Singaporean shareholders or directors are required to obtain the Temporary Occupation Permit ("**TOP**") for their residential property developments within five years ("**TOP Deadline**") and to sell all dwelling units within two years from the date of TOP ("**Sale Deadline**"). Additional Qualifying Certificate extension charges of 8%, 16% and 24% of the land purchase price for the first, second and subsequent years past the TOP Deadline and/or the Sale Deadline may be incurred if the respective deadlines need to be extended.

In addition, the loan-to-value limits on housing loans granted by financial institutions were also tightened for individuals whose loan tenure exceeds 30 years or the loan period extends beyond the borrower's age of 65 years, individuals who already have at least one outstanding loan, as well as for non-individuals such as companies. Besides tighter loan-to-value limits, the minimum cash down payment for individuals applying for a second or subsequent housing loan was also raised. In June 2013, the MAS introduced a new total debt servicing ratio ("**TDSR**") framework for all property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income and the general position is that a property loan extended by a financial institution will not exceed a TDSR threshold of 60%. In December 2021, the TDSR framework was further enhanced by the MAS, where the aforementioned 60% threshold has been reduced to 55%. On 10 March 2017, the Singapore Government announced that the TDSR framework will no longer apply to mortgage equity withdrawal loans with loan-to-value ratios of 50% and below with effect from 11 March 2017. Existing and any further legislation or policies to encourage financial prudence which may be introduced by the Singapore Government to moderate the property market in Singapore may affect the purchasing power of potential buyers of residential properties and may dampen the general sentiments of the residential property market, resulting in reduced demand for and consequently fewer sales of residential property units in Singapore.

To address the stamp duty rate differential between direct acquisition/disposal of residential properties and acquisition/disposal of equity interest in entities holding primarily residential properties, the Singapore Government introduced the Additional Conveyance Duties ("**ACD**"). ACD is chargeable on qualifying acquisitions/disposals of equity interest (for example shares or units) in residential property holding entities ("**Residential PHE**") which own primarily tangible assets that are residential properties in Singapore on or after 11 March 2017. ACD was enhanced in July 2018, December 2021, and April 2023. Based on the April 2023 ACD enhancement, ACD of up to 71% is payable by the buyer of shares in a Residential PHE while ACD of a flat 12% is payable by the seller of shares in a Residential PHE. No ACD will apply if the transfer of equity interest in a Residential PHE is pursuant to a will or by way of assent.

To address the gap where ABSD does not apply when residential property is transferred into a living trust without an identifiable beneficial owner at the time when the residential property is transferred into the trust, the Singapore Government announced that ABSD (Trust) of 35% will apply on any transfer of residential property into a living trust where the transfer occurs after 9 May 2022. The said ABSD (Trust) is payable upfront, and the trustee may apply to IRAS for a refund provided that certain conditions are met. ABSD (Trust) was enhanced in April 2023 to 65%, to be in line with the increase in ABSD rates in Singapore.

Such measures and further legislation or policies to encourage financial prudence which may be introduced by the Singapore government to moderate the property market in Singapore may affect the purchasing power of potential buyers of residential properties and may dampen the general sentiments of the residential property market, resulting in reduced demand for and consequently fewer sales of residential property units in Singapore.

There is no assurance that the Singapore government will abolish the existing legislation or policies intended to cool the property market. There is also no assurance that the Singapore government will not introduce further legislation or policies or amend existing legislation or policies to further regulate the growth of the Singapore property market.

All these measures may have an adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group may be adversely affected by a compulsory acquisition of property by the Singapore government

The Land Acquisition Act, 1966 of Singapore, *inter alia,* gives the Singapore Government the power to acquire any land in Singapore:

- for any public purpose;

- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which is of public benefit or of public utility or in the public interest; or

- for any residential, commercial or industrial purpose.

In determining the amount of compensation to be awarded pursuant to any such compulsory acquisition, the following matters, *inter alia,* would be considered: (i) the market value of the property as at the date of the publication in the Singapore Government Gazette of the notification of likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Singapore Government Gazette), or (ii) the market value of the property as at the date of publication in the Singapore Government Gazette of the declaration of intention to acquire in any other case.

Accordingly, if the market price of the property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the property will be less than its market value. In such an event, such compulsory acquisitions would have an adverse effect on the Group's financial condition.

If any property development project of the Group is compulsorily acquired by the Singapore Government before the temporary occupation permit is attained, it is not established under existing Singapore laws that the risk of compulsory acquisition lies with the respective buyers. Even if the risk resides with the respective buyers, an event of compulsory acquisition would conceivably lead to a high default rate of the buyers under their respective sale agreements and could, in turn, have an adverse effect on the Group's cash flow, business and financial position.

Risk factors relating to the UK

Exposure to UK political and legal developments, including the impact of the UK Brexit, could have a material adverse effect on the Group

The UK exited the EU on 31 January 2020 ("**Brexit**") and implemented the EU – UK Trade and Cooperation Agreement ("**Trade and Cooperation Agreement**") which was applied provisionally on 1 January 2021 until its entry into force on 1 May 2021. Under the Trade and Cooperation Agreement, the EU and the UK agreed to comprehensive, zero-tariff, zero-quota free trade. Despite the implementation of the Trade and Cooperation Agreement, Brexit may still lead to a downturn in the UK economy, undermine bilateral cooperation between the UK and EU in key policy areas and increase volatility in the global and UK markets.

Furthermore, there may be changes with respect to the UK legal and regulatory regime as the UK determines which EU laws to replace or replicate, which could also cause disruptions. For instance, in June 2023, the UK government enacted the Retained EU Law (Revocation and Reform) Act 2023 ("**REULA**"), under which certain retained EU laws were repealed automatically at the end of 2023. The REULA further enables the revocation, restatement, replacement or updating of certain retained EU laws until June 2026, and, *inter alia*, removes the special features that EU laws have in the UK legal system and repeals the principle of supremacy of EU law from UK law. The impact of the REULA on UK legislation impacting the Group's UK business is currently unclear.

The political and legal developments in the UK as described above, along with any further changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape to which the Group is subject and consequently could materially and adversely affect the Group's financial condition, results of operations and profitability.

Risk factors relating to Australia

The Group's business, financial condition and results of operations may be affected by changes in the Australian property market

The Group has a portfolio of residential properties in the cities of Gold Coast, Brisbane, and Melbourne in Australia, several of which have not yet been fully sold. As such, the Group's revenue from its residential projects in Australia may be affected by any changes in the Australian property market in the near future. This, in turn, is influenced by a number of factors, including but not limited to the Australian and international economic outlook, changes in economic conditions, including inflation, recessions and interest rates, changes in the Australian government's fiscal, monetary and regulatory policies, changes in housing demand from population growth and demographic changes (including immigration levels and trends in urban and suburban migration), as well as changes in the Australian banking industry's lending policies. In recent times, the governments of a number of states in Australia have introduced a new stamp duty surcharge on overseas residential real estate investors, while certain major Australian banks have also tightened their lending criteria for home loans to overseas investors.

Investments by the Issuer may be subject to Australia's foreign investment regime

In relation to investments by the Issuer, the Issuer is a "foreign person" for the purposes of the Foreign Acquisitions and Takeovers Act 1975 ("**FATA**") and Australia's Foreign Investment Policy (the "**Policy**"), such that investments in Australia by the Issuer (including acquisitions of Australian urban land and some acquisitions in Australian corporations) may be subject to notice requirements under the FATA and the Policy for review and the issue of a prior Foreign Investment Review Board ("**FIRB**") approval by the Australian Treasurer (which may or may not be given or may be given subject to conditions). If such approval is required and not given in relation to an investment, the Issuer may not be able to proceed with that investment.

Risk factors relating to China

The Group's Chinese property development business will be dependent on the performance of the Chinese property sector

Given that the Group has interests in development projects held by the Group's associates and jointly-controlled entities in China, including one 3,500-unit development in Zhuhai, a part of the Group's business is dependent on the continuing growth of China's economy generally and the property sector of China specifically.

The property development market may be adversely affected by economic, political, social, regulatory or diplomatic developments in China. The Group's business may be adversely affected by changes in inflation, interest rates, taxation, or other regulatory, political, social or economic factors affecting China, as well as any adverse developments in the supply and demand or housing prices in the property sector. These include the ability of the markets in which the Group operates in China to absorb newly-built housing inventories.

The Group's business is also subject to the cyclical nature of the property industry and is hence vulnerable to any downturn in the residential or commercial property development market in China. Beginning in the second half of 2021 and continuing into 2023, property developers in China that have funded the growth and development of the property sector in China have experienced an inflexion point characterised by several adverse developments, including the following:

- reduced bank lending for real estate development adversely affected access by property developers to onshore capital in China;

- reduced bank lending for mortgage finance for buyers, combined with buyers' concerns towards the ability of property developers in China to complete projects, has adversely affected property sales;

- tightened restrictions on the use of pre-sale proceeds under the applicable Chinese laws; and

- more recently, a material decrease in aggregate contracted sales and a substantial reduction in prices for residential units across the property sector in China.

The negative news relating to certain Chinese property companies, including defaults on their indebtedness, has had a further negative impact on and resulted in increased volatility in the property sector in China. Such recent defaults make it difficult for Chinese property developers, management companies and potential property purchasers to obtain onshore and offshore financing, resulting in lower market confidence, lower demand for real estate in China and increased market volatility. These could have a material adverse effect on the Group's business, as well as the results of operations and financial conditions in China.

Rules and regulations of the Chinese government can adversely impact the performance and development of the Chinese property sector

The Chinese government makes policy adjustments from time to time and adopts new regulatory measures in an effort to control the development of the real estate market in China. Since 2010, the Chinese government has been tightening its control of the real estate market with the aim of curbing increases in property prices and/or discouraging excessive growth of the Chinese property sector by implementing various rules and regulations. These include:

- limiting the amount of high-end residential properties that can be developed;
- taxing certain transfers of residential properties;
- increasing the minimum down-payment for certain property purchases;
- limiting banks' ability to lend to certain types of property developers;
- limit the amount of real estate loans and personal housing mortgage loans;
- prohibiting proportional divisions and grants of land use right certificates; and
- ceasing the processing of certain types of foreign exchange for real estate enterprises with foreign investment.

The continuation of these measures and the introduction of any new measures may reduce cash flow from operations and increase the Group's financing needs, which may, in turn, materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The central and local authorities may also continue to adjust interest rates, tax rates and other economic policies or impose other regulations or restrictions that may have an adverse effect on the property market in China, which may unfavourably impact the Group's real estate activities in China.

Foreign exchange controls may affect the Group's ability to receive revenue from its subsidiaries and joint venture entities in China

The Issuer currently receives revenue denominated in Renminbi through its ownership and operation of subsidiaries and joint venture entities in China. The Chinese government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing Chinese foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade related transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange ("**SAFE**") by complying with certain procedural requirements. However, approval from SAFE or its local branch is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The Chinese government may also at its discretion restrict access in the future to foreign currencies for current account transactions.

Under the Issuer's current corporate structure, some of its income is derived from dividend payments from its subsidiaries and joint venture entities in China. Shortages in the availability of foreign currency may restrict the ability of the Issuer's subsidiaries and joint venture entities in China to remit sufficient foreign currency to pay dividends or other payments to the Issuer, or otherwise satisfy their foreign currency-denominated obligations. The Group cannot provide assurance that the Issuer's subsidiaries and joint venture entities in China will be able to obtain sufficient foreign currency to make dividend and other payments to the Issuer or that the relevant regulations will not be amended in a way that would adversely affect the ability of its subsidiaries and joint venture entities to distribute such payments.

Changes in laws and regulations with respect to pre-sales may adversely affect the cash flow position and performance of the Group

The Group depends on cash flows from pre-sales of properties as an important source of funding for the Group's property projects. Under current Chinese laws and regulations, property developers must fulfil certain conditions before they can commence pre-selling of the relevant properties and may only use pre-sale proceeds to finance the development of such properties. There can be no assurance that the Chinese government will not ban the practice of pre-selling uncompleted properties or implement further restrictions on the pre-sale of properties, such as imposing additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds. Any such measure will adversely affect any property development activities the Group may carry out in China in respect of the Group's cash flow and force the Group to seek alternative sources of funding.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) will be used for the Group's general corporate purposes, for financing the investments and working capital requirements of the Group, for refinancing the existing borrowings of the Group or for such other purpose as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal or interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

*The statements made herein regarding taxation are general in nature and are based on certain aspects of current tax laws and regulations in Singapore, and administrative guidelines and circulars issued by IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, regulations, administrative guidelines or circulars, or in the interpretation of those laws, regulations, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("**QDS**") scheme for early redemption fee (as defined in the ITA) and redemption premium (as such term has been amended by the ITA). These laws, regulations and guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither the statements below nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any Noteholder or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme or the issuance of the Notes, accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 24.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time and is a Specified Licensed Entity (as defined below), any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require, payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

For the purposes of the foregoing, the term "offering documents" means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related party(ies) of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

    (I) any related party of the Issuer; or

    (II) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

    shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the ITA, the reference to the term "**Specified Licensed Entity**" above means:

(i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms "**early redemption fee**", "**redemption premium**" and "**related party**" are defined in the ITA as follows:

"early redemption fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

"related party", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

References to "early redemption fee", "redemption premium" and "related party" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

3. Adoption of FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or its affiliates' business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Notes, such Notes, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Notes.

The Arranger, the Dealers or any of their respective affiliates may purchase Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, the Arranger, the Dealers or any of their respective affiliates may hold long or short positions relating to the Notes. The Arranger, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer and/or its subsidiaries, jointly controlled entities or associated companies from time to time. The Arranger, the Dealers or any of their respective affiliates have received, or may in the future receive, customary fees and/or commissions for these transactions. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arranger, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arranger, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered or sold and it will not offer, sell or deliver the Notes of any Series (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

  (b) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

    (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

    (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

    (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

(i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Note means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Information Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

General

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer undertakes that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Notes or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms. In connection with the offer, sale or delivery by any Dealer of any Notes or any interest therein or rights in respect thereof, the Issuer shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in and each Dealer will comply with the laws and regulations in force in, any jurisdiction to which it is subject or from which it may make any such offer or sale.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Dr Chua Thian Poh	Executive Chairman
Mr Nicholas Chua Wee-Chern	Chief Executive Officer and Executive Director
Mr Ong Chong Hua	Chief Operating Officer and Executive Director
Mr Lim Swee Say	Lead Independent Director
Mr Ko Kheng Hwa	Independent Non-Executive Director
Ms Josephine Choo Poh Hua	Independent Non-Executive Director
Mr Seow Choke Meng	Independent Non-Executive Director
Ms Pauline Goh	Independent Non-Executive Director
Mr Bobby Chin Yoke Choong	Non-Independent Non-Executive Director

2. No Director is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any proceedings pending as at the date of this Information Memorandum which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

3. Save as disclosed in paragraph 6 below, none of the Directors are related by blood or marriage to one another or related to any substantial shareholder of the Issuer.

4. No option to subscribe for shares in, or debentures of, the Issuer has been granted to, or was exercised by, any Director or employees of the Group during the last financial year ended 31 December 2023.

5. No Director is interested, directly or indirectly, in the promotion of any assets acquired or disposed of by or leased to, the Issuer or any of its subsidiaries, within the two years preceding the date of this Information Memorandum, or in any proposal for such acquisition, disposal or lease as aforesaid.

6. **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

	Direct Interest		Deemed Interest	
	Number of Shares	**% of total Issued Shares(1)**	**Number of Shares**	**% of total issued Shares(1)**
Directors				
Chua Thian Poh(2)	–	–	501,819,150	75.57
Nicholas Chua Wee-Chern	3,192,000	0.48	–	–
Ong Chong Hua	1,940,000	0.29	–	–
Bobby Chin Yoke Choong	131,000	0.02	–	–
Substantial Shareholders				
Ho Bee Holdings (Pte) Ltd(3)	499,558,500	75.23	1,414,000	0.21
Chua Thian Poh(2)	–	–	501,819,150	75.57

Notes:

(1) The percentage is calculated based on the number of issued ordinary shares of the Company as at the Latest Practicable Date, excluding 39,321,600 shares held as treasury shares as at that date.

(2) Dr Chua Thian Poh has a deemed interest in 499,558,500 Shares held by Ho Bee Holdings (Pte) Ltd, 1,414,000 Shares held by Kingdom Investment Holdings Pte. Ltd. and 846,650 Shares held by his spouse, Mdm Ng Noi Hinoy.

(3) Ho Bee Holdings (Pte) Ltd has a deemed interest in the 1,414,000 Shares held by Kingdom Investment Holdings Pte. Ltd.

SHARE CAPITAL

7. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

8. As at the Latest Practicable Date, the issued share capital of the Issuer is as follows:

Share Designation	**Issued Share Capital**	
	Number of Shares	**Amount**
Ordinary Shares	703,338,000	156,048,000

Note: There were 39,321,600 treasury shares held by the Issuer as at the Latest Practicable Date and these were included in the number of issued ordinary shares above.

BORROWINGS

9. Save as disclosed in Appendix IV, the Group had as at 31 December 2023 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

10. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

11. There has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for the financial year ended 31 December 2023.

LITIGATION

12. There are no legal or arbitration proceedings pending or, as far as the Directors are aware, threatened against the Issuer or any of its subsidiaries the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Group.

CONSENT

13. The Auditors have given and have not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

MATERIAL ADVERSE CHANGE

14. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2023.

DOCUMENTS AVAILABLE FOR INSPECTION

15. Copies of the following documents may be inspected at the registered office of the Issuer at 9 North Buona Vista Drive, #11-01, The Metropolis Tower 1, Singapore 138588 during normal business hours:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 13 above; and

    (d) the audited consolidated financial statements of the Issuer and its subsidiaries for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

16. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HO BEE LAND LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The information in this Appendix II has been extracted and reproduced from the Annual Report of Ho Bee Land Limited and its subsidiaries for the financial year ended 31 December 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

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:

	Holdings in the name of the director, spouse or infant children		Other holdings in which the director is deemed to have an interest	
Name of director and corporation in which interests are held	**At beginning of the year/ 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
Immediate and ultimate holding company				
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: At beginning of the year/ date of appointment	Holdings in the name of the director, spouse or infant children: At end of the year	Other holdings in which the director is deemed to have an interest: At beginning of the year/ date of appointment	Other holdings in which the director is deemed to have an interest: At end of the year
Chua Thian Poh (cont'd)				
Related corporations				
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	–	–
Related corporation				
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	–	–
Related corporation				
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. *Findings:* The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. We found the valuation methodologies used are in line with generally accepted market practices and the key assumptions used to be within a reasonable range of our expectations. They are comparable to market trends and externally derived data. The changes in fair value of investment properties are appropriately recognised in the Group's financial statements.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

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

The key audit matter	*How the matter was addressed in our audit*
The Group holds a number of development projects in Australia, and completed properties in both Singapore and the United Kingdom. In addition, the Group has interests in development projects in Singapore and China held by associates and jointly-controlled entities of which the Group's share is included in the carrying value of investments in associates and jointly-controlled entities presented in the Group's consolidated statement of financial position. The carrying value of development properties are stated at the lower of cost and estimated net realisable value ("NRV"). The determination of the estimated NRV 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. *Findings:* 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 (S$88 MILLION)
(Refer to Notes 8 & 9 to the financial statements)

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

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

CONSOLIDATED STATEMENT OF 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

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

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

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Loss of control

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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

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

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

(v) Joint operations

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

(vi) Transactions eliminated on consolidation

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

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

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

3.2 Foreign currency

(i) Foreign currency transactions

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

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.

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.

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.

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.

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

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

As a lessor

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

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

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

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.

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.

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.

5. INVESTMENT PROPERTIES

		Group	
		2021	2020
	Note	$'000	$'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	**2020**
	$'000	**$'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

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8 ASSOCIATES

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'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
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 $'000	**2020 $'000**	**2021 $'000**	**2020 $'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

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

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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	58,054[3]	245,923[3]	57,568	33,956	395,501

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

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	53,056[3]	224,501[3]	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

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10 OTHER ASSETS

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

11 FINANCIAL ASSETS

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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.

12 OTHER RECEIVABLES

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 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	Group 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	Group 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.

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.

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17 SHARE CAPITAL

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

As at 31 December 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 $'000	**2020 $'000**	**2021 $'000**	**2020 $'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

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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 $'000	2020 $'000	2021 $'000	2020 $'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	Group 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

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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**

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	2020
	$'000	$'000	$'000	$'000
Rental deposits	**8,261**	3,123	**–**	–
Accrued operating expenses and development expenditure	**24,678**	16,710	**14,004**	11,290
Amounts due to subsidiaries (non-trade)	**–**	–	**2,397**	20,016
Other payables	**38,016**	27,363	**–**	3
Derivative financial liability	**14,843**	33,500	**–**	–
Goods and services tax payable	**5,957**	9,689	**231**	237
	91,755	90,385	**16,632**	31,546

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.

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23 REVENUE

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

	Group	
	2021 $'000	2020 $'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 $'000	2020 $'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.

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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

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27 INCOME TAX EXPENSE

	Note	Group 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

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28 PROFIT FOR THE YEAR

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

	Note	Group 2021 $'000	Group 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	Group 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	Group 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	Group and Company 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

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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	**2020**
	$'000	**$'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	**2020**
		$'000	**$'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

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

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	**2020**
	$'000	**$'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	**2020**
	$'000	**$'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

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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

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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.

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.

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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	**2020**
	$'000	**$'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:

	2021		2020	
	Gross carrying amount $'000	**Impairment loss allowance $'000**	**Gross carrying amount $'000**	**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)

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.

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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 $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'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.

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.

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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

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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

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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

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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 $'000	**2020 $'000**	**2021 $'000**	**2020 $'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)	**–**	–
	(254,947)	(237,893)	**1,001,244**	805,884
Variable rate instruments				
Bank loans	**(2,545,336)**	(2,429,348)	**(33,360)**	(33,348)
Effect of interest rate swaps	**450,000**	450,000	**–**	–
	(2,095,336)	(1,979,348)	**(33,360)**	(33,348)

Sensitivity analysis

Fixed rate instruments

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

Variable rate instruments

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

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

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	**1.0 – 1.6**	1.0 – 2.7

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.

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

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.

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HO BEE LAND LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The information in this Appendix III has been extracted and reproduced from the Annual Report of Ho Bee Land Limited and its subsidiaries for the financial year ended 31 December 2022 and has not been specifically prepared for inclusion in this Information Memorandum.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

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

In our opinion:

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

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

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

DIRECTORS

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

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

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

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

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

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' STATEMENT

DIRECTORS' CONTRACTUAL BENEFITS

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

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

SHARE OPTIONS

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

AUDIT & RISK COMMITTEE

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

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

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

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

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

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

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

DIRECTORS' STATEMENT

AUDITORS

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

On behalf of the Board of Directors

Chua Thian Poh *Director*	**Nicholas Chua** *Director*

15 March 2023

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Key audit matters (cont'd)

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

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

Key audit matters (cont'd)

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

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

Other information

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

- Chairman and CEO Statement
- Directors' Statement

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

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

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

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

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

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

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

Responsibilities of management and Directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
HO BEE LAND LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

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

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

Note A - Net cash outflow on acquisition of a subsidiary

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of the financial statements.

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

1 DOMICILE AND ACTIVITIES

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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

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

Measurement of fair values

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

3.1 Basis of consolidation

(i) Business combinations

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

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

The Group measures goodwill at the date of acquisition as:

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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

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

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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

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

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

(v) Joint operations

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

(vi) Transactions eliminated on consolidation

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

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

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

3.2 Foreign currency

(i) Foreign currency transactions

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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

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

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

(ii) Foreign operations

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

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

(iii) Net investment in a foreign operation

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

(iv) Hedge of a net investment in foreign operation

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

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Debt investments at FVOCI

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

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

Equity investments at FVOCI

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Financial assets at FVTPL

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

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

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investment at FVOCI

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

Interest rate benchmark reform

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

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

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

(iv) Offsetting

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(v) Cash and cash equivalents

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

(vi) Derivative financial instruments and hedge accounting

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

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

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

Hedges directly affected by interest rate benchmark reform

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

Cash flow hedges

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

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

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

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

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

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

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

Net investment hedges

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(vii) Share capital

Ordinary shares

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

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

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

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

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

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

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

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

3.4 Property, plant and equipment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

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

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

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

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

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

3.5 Goodwill

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

Subsequent measurement

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

3.6 Investment properties

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment properties (cont'd)

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

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

3.7 Leases

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

As a lessee

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

As a lessee (cont'd)

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

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

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

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

3.8 Impairment

(i) Non-derivative financial assets

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

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

Write-off

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

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

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

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

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

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

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

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

3.9 Development properties

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Contract costs

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

3.11 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

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

Loans to subsidiaries and associate

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

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

3.13 Revenue recognition

Sale of development properties in Singapore and overseas

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

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

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

Rental income

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

Dividend income

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

Interest income

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

Management fee income

The Group recognises income after the services are rendered.

3.14 Government grants

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

3.15 Finance income and finance costs

The Group's finance income and finance costs include:

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Finance income and finance costs (cont'd)

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

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

3.16 Tax

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

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

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Tax (cont'd)

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

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

3.17 Earnings per share

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

3.18 Segment reporting

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

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

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

3.19 New standards and amendments not adopted

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT

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

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES

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

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

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

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

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

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

6 SUBSIDIARIES

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

Impairment loss

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

Acquisition of a subsidiary

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

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

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YEAR ENDED 31 DECEMBER 2022

6 SUBSIDIARIES (CONT'D)

Details of the significant subsidiaries are as follows:

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

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

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

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

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

7 ASSOCIATES

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

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

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

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

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

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

7 ASSOCIATES (CONT'D)

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

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

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

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

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

7 ASSOCIATES (CONT'D)

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

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

8 JOINTLY-CONTROLLED ENTITIES

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

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

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

Company

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

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

NOTES TO THE FINANCIAL STATEMENTS

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

Company (cont'd)

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

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

The following are the material jointly-controlled entities:

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

[1] Audited by KPMG LLP, Singapore

[2] Audited by Deloitte & Touche LLP, Singapore

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

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

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

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

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

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

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

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

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

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

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

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

9 OTHER ASSETS

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

10 FINANCIAL ASSETS

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

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

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

11 OTHER RECEIVABLES

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

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

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

12 DEFERRED TAX

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

	At 1 January 2021 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2021 $'000	Recognised in income statement (Note 26) $'000	Exchange differences $'000	At 31 December 2022 $'000
Group							
Deferred tax liabilities							
Investment properties	17,644	6,133	100	23,877	(8,415)	(2,082)	**13,380**
Development properties	1,409	824	(68)	2,165	3,845	(373)	**5,637**
Others	–	61	(4)	57	1,137	(43)	**1,151**
	19,053	7,018	28	26,099	(3,433)	(2,498)	**20,168**
Deferred tax assets							
Tax losses	112	33	(3)	142	127	(14)	**255**

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

13 (I) DEVELOPMENT PROPERTIES

	Group	
	2022 $'000	2021 $'000
Properties for which revenue is to be recognised at a point in time		
Properties held for sale	**77,378**	126,141
Properties under development	**493,482**	196,557
	570,860	322,698
Allowance for foreseeable losses	**(494)**	(551)
Total development properties	**570,366**	322,147

During the year, development properties of $120,947,000 (2021: $98,070,000) were recognised as cost of sales and included in 'cost of sales – residential development projects'.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2022 $'000	2021 $'000
At 1 January	**(551)**	(545)
Exchange differences	**57**	(6)
At 31 December	**(494)**	(551)

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

During the year, the Group has reviewed the allowance for foreseeable losses to record the properties at the lower of cost or net realisable values and assessed that no further allowance was required to be made.

Certain development properties with carrying value amounting to $26,934,000 (2021: $30,325,000) were pledged to secure banking facilities granted to the Group (see Note 18).

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

Deposits for land premium in 2021 pertained to the deposits paid to third parties for the acquisition of several residential development sites in Australia. Following the completion of the acquisition, the Group reclassified the deposits for land premium to development properties in 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

14 TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	**16,577**	12,715	**–**	–
Accrued rent receivables	**5,270**	4,108	**–**	–
Impairment losses	**(50)**	(871)	**–**	–
Net receivables	**21,797**	15,952	**–**	–
Other deposits	**7,824**	1,266	**150**	126
Amounts due from:				
– subsidiaries (non-trade)				
– interest bearing	**–**	–	**8,997**	12,827
– non-interest bearing	**–**	–	**5,190**	5,907
– jointly-controlled entities (non-trade)				
– interest bearing	**12,959**	8,059	**–**	–
– non-interest bearing	**–**	25	**–**	25
Other receivables	**82,770**	13,525	**65,108**	116
Derivative financial asset	**12,300**	–	**–**	–
	137,650	38,827	**79,445**	19,001
GST recoverable	**1,903**	809	**–**	–
Prepayments	**1,157**	2,334	**168**	59
Tax recoverable	**4,207**	25,537	**–**	–
	144,917	67,507	**79,613**	19,060

Amounts due from subsidiaries and jointly-controlled entities are unsecured and repayable within the next 12 months. These balances are amounts lent to subsidiaries and jointly-controlled entities to meet their short-term funding requirements. Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 2.50% (2021: 1.25% to 4.00%) and 7.50% (2021: 7.50%) per annum, respectively.

Included in other receivables is an amount of $58,593,000 (2021: nil) pertaining to dividend declared and receivable from a China associate.

In 2021, the Group received a favorable tax judgement from the Income Tax Board of Review to discharge the previous tax assessment in respect of gains arising from the disposal of four properties. Accordingly, the Group reversed the over provision of tax expense in prior years (see Note 26) and recognised a tax recoverable (receivable) of the same amount as at 31 December 2021. The amount has been received from IRAS in 2022.

The measurement of expected credit loss on trade and other receivables involves management's estimate of the credit risk of the financial instruments and reflects the Group's assessment of economic conditions and possible default events over the expected lives of these receivables. Refer to Note 34 for the Group's assessment on credit risk exposure and determination of expected credit loss (ECL).

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	**80,167**	78,676	**11,209**	14,532
Fixed deposits	**247,219**	44,739	**149,681**	41,717
	327,386	123,415	**160,890**	56,249

The weighted average effective interest rates relating to fixed deposits at the balance sheet date for the Group is 3.78% (2021: 0.80%) per annum.

16 SHARE CAPITAL

	Group and Company	
	2022	**2021**
	Number of shares ('000)	**Number of shares ('000)**
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	**703,338**	703,338

As at 31 December 2022, included in the total number of ordinary shares was 39,321,600 (2021: 39,321,600) shares purchased by the Company (the "Treasury Shares") by way of market acquisition at an average price of $1.72 per share. The Treasury Shares were deducted from total equity (see Note 17).

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

Capital management

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

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

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

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

16 SHARE CAPITAL (CONT'D)

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Borrowings	**3,424,704**	2,545,759	**1,074,520**	35,472
Less: Cash and cash equivalents	**(327,386)**	(123,415)	**(160,890)**	(56,249)
Net debt	**3,097,318**	2,422,344	**913,630**	(20,777)
Total equity (excluding non-controlling interests)	**3,915,729**	3,929,317	**2,293,249**	1,994,357
Net gearing ratio	**0.79**	0.62	**0.40**	(0.01)

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of some of their external borrowings. Other than the loan-to-value ratio breaches explained in Note 18, which have been cured subsequent to 31 December 2022, all externally imposed capital requirements have been complied with during the year.

17 RESERVES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Reserve for own shares	**(67,796)**	(67,796)	**(67,796)**	(67,796)
Capital reserve	**791**	791	**–**	–
Hedging reserve	**12,300**	(14,843)	**–**	–
Foreign currency translation reserve	**(132,513)**	7,696	**–**	–
Retained earnings	**3,946,899**	3,847,421	**2,204,997**	1,906,105
	3,759,681	3,773,269	**2,137,201**	1,838,309

Reserve for own shares

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

Capital reserve

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

Hedging reserve

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

17 RESERVES (CONT'D)

Foreign currency translation reserve

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

Retained earnings

Included in retained earnings is net accumulated gain of $422,619,000 (2021: $343,921,000) representing share of post-acquisition results of associates and jointly-controlled entities.

18 LOANS AND BORROWINGS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**2,193,486**	1,802,497	**143,033**	–
Lease liabilities	**493**	224	**–**	972
	2,193,979	1,802,721	**143,033**	972
Current liabilities				
Secured bank loans	**1,230,498**	742,839	**930,515**	33,360
Lease liabilities	**227**	199	**972**	1,140
	1,230,725	743,038	**931,487**	34,500
	3,424,704	2,545,759	**1,074,520**	35,472

The bank loans are secured on the following assets:

		Group	
	Note	**2022**	**2021**
		$'000	**$'000**
Investment properties	5	**4,546,238**	4,810,895
Development properties	13	**26,934**	30,325
Carrying amounts		**4,573,172**	4,841,220

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

As at the reporting date, two subsidiaries of the Group breached the loan-to-value ("LTV") ratios in their loan covenants as the valuations of the investment properties pledged have dropped. Subsequent to 31 December 2022, the two subsidiaries have cured the breaches in relation to GBP3,658,000 loans outstanding in excess of the LTV ratios required. The banks are satisfied that the LTV ratios have been restored and accordingly, the loans are not due and payable in advance of their maturity dates.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

18 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Effective interest rate %	Expected year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2022				
Secured bank loans				
– floating rate	**1.05 – 5.05**	**2023 – 2026**	**3,423,984**	**3,423,984**
Lease liabilities	**4.00**	**2023 – 2028**	**786**	**720**
31 December 2021				
Secured bank loans				
– floating rate	1.02 – 1.61	2022 – 2026	2,545,336	2,545,336
Lease liabilities	4.00	2022 – 2024	442	423
Company				
31 December 2022				
Secured bank loans				
– floating rate	**1.17 – 5.05**	**2023-2025**	**1,073,548**	**1,073,548**
Lease liabilities	**2.50**	**2023**	**983**	**972**
31 December 2021				
Secured bank loans				
– floating rate	1.02 – 1.17	2022	33,360	33,360
Lease liabilities	2.50	2022 – 2023	2,164	2,112

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees provided by the Company to banks in respect of banking facilities amounting to $2,464,332,000 (2021: $2,702,671,000) extended to its subsidiaries and jointly-controlled entities. The Group's financial guarantees relate to those extended by the Company to jointly controlled entities. The periods in which the financial guarantees expire are as follows:

	Group		Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Less than 1 year	**111,475**	50,680	**410,662**	762,402
Between 1 and 5 years	**–**	133,770	**2,053,670**	1,940,269
More than 5 years	**–**	–	**–**	–
	111,475	184,450	**2,464,332**	2,702,671

18 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities		Derivative liabilities held to hedge long-term borrowings	
	Secured bank loans $'000	Lease liabilities $'000	Interest rate swap – net liabilities $'000	Total $'000
Group				
Balance at 1 January 2021	2,429,348	187	33,500	2,463,035
Changes from financing cash flows				
Proceeds from bank loans	398,208	–	–	398,208
Repayment of liabilities	(291,664)	(48)	–	(291,712)
Interest paid	(41,744)	(10)	–	(41,754)
Total changes from financing cash flows	64,800	(58)	–	64,742
Exchange differences	16,412	(8)	–	16,404
Fair value changes	–	–	(18,657)	(18,657)
Other changes				
Liability-related				
Lease liabilities recognised	–	292	–	292
Facility fees on loans capitalised	(6,968)	–	–	(6,968)
Interest expense	41,744	10	–	41,754
Total liability-related other changes	34,776	302	–	35,078
Balance at 31 December 2021	2,545,336	423	14,843	2,560,602

18 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities			Derivative liabilities/ (assets) held to hedge long-term borrowings	
	Secured bank loans $'000	Lease liabilities $'000	Amount due to non-controlling shareholder $'000	Interest rate swap – net liabilities/ (assets) $'000	Total $'000
Group					
Balance at 1 January 2022	2,545,336	423	17,666	14,843	2,578,268
Changes from financing cash flows					
Proceeds from bank loans	1,640,883	–	–	–	1,640,883
Repayment of liabilities	(418,327)	(216)	(14,785)	–	(433,328)
Interest paid	(88,745)	(14)	–	–	(88,759)
Total changes from financing cash flows	1,133,811	(230)	(14,785)	–	1,118,796
Exchange differences	(346,654)	(64)	(176)	–	(346,894)
Fair value changes	–	–	–	(27,143)	(27,143)
Other changes					
Liability-related					
Lease liabilities recognised	–	577	–	–	577
Interest expense	91,491	14	–	–	91,505
Total liability-related other changes	91,491	591	–	–	92,082
Balance at 31 December 2022	3,423,984	720	2,705	(12,300)	3,415,109

19 OTHER LIABILITIES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amount due to subsidiary (non-trade)	**–**	–	**27,276**	–
Rental deposits	**24,909**	12,310	**–**	–
Amount due to non-controlling shareholder (non-trade)	**2,705**	17,666	**–**	–
	27,614	29,976	**27,276**	–

Amount due to a subsidiary is unsecured and interest-free, and not expected to be repayable within the next 12 months.

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

20 DEFERRED INCOME

	Group	
	2022	**2021**
	$'000	**$'000**
Rental advances from tenants	**48,196**	44,354
Non-current	**46,525**	42,683
Current	**1,671**	1,671
	48,196	44,354

Included within rental advances from tenants is an amount of $42,183,000 (2021: $43,854,000) received by the Group arising from its sale of a 30-year leasehold interest in an investment property with 999-year tenure in 2018. The sale proceeds are amortised and recognised as rental income over the 30-year leasehold period.

21 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Sales deposits	**10,758**	10,454	**–**	–
Rental deposits	**5,112**	8,261	**–**	–
Advance rental	**28,880**	14,646	**–**	–
Accrued operating expenses and development expenditure	**26,542**	24,678	**6,688**	14,004
Amounts due to subsidiaries (non-trade)	**–**	–	**37,526**	2,397
Other payables	**29,257**	12,916	**47**	–
Derivative financial liability	**–**	14,843	**–**	–
Goods and services tax payable	**7,584**	5,957	**273**	231
	108,133	91,755	**44,534**	16,632

Amounts due to subsidiaries (non-trade) are unsecured and interest-free, and are repayable on demand.

22 REVENUE

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

	Group	
	2022	**2021**
	$'000	**$'000**
Sales of development properties, transferred at a point in time	**175,940**	123,951
Rental income and service charges	**259,682**	223,742
	435,622	347,693

Included in rental income and service charges is lease income generated from investment properties of $255,844,000 (2021: $217,342,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

23 OTHER INCOME

	Group	
	2022	**2021**
	$'000	**$'000**
Government grant income	**–**	94
Dividend income from investment designated at FVTPL	**167**	119
Realised gains from financial assets designated at FVTPL	**73**	67
Fair value gain on financial assets at FVTPL	**27,286**	37,726
Gain on disposal of investment property	**2,806**	–
Forfeiture income	**–**	69
Income from property management services	**1,263**	1,158
Right-to-lights compensation	**4,064**	–
Dilapidation income	**1,799**	–
Management fee income	**878**	351
Sale of management rights on development property project	**–**	129
Others	**842**	484
	39,178	40,197

Government grant income

In 2021, government grant income of $94,000 related to various temporary wage support schemes in Singapore and Australia to help companies deal with the impact from COVID-19, were received.

24 DIRECTORS' REMUNERATION

Number of Directors in remuneration bands:

	2022 Number of Directors	**2021 Number of Directors**
$500,000 and above	**3**	3
$250,000 to $499,999	**–**	–
Below $250,000	**6***	7*
Total	**9**	10

* Includes 6 (2021: 7) Non-Executive Directors.

25 FINANCE INCOME AND FINANCE COSTS

	Group	
	2022	**2021**
	$'000	**$'000**
Interest income from debt investments carried at amortised cost/finance income	**3,486**	1,965
Interest expenses on financial liabilities measured at amortised cost/finance costs	**(91,505)**	(41,754)
Net finance costs recognised in profit or loss	**(88,019)**	(39,789)

26 INCOME TAX EXPENSE

	Note	Group 2022 $'000	Group 2021 $'000
Current tax expense			
Current year		**48,300**	29,031
Over provision in respect of prior years		**(36,940)**	(24,451)
		11,360	4,580
Deferred tax expense			
Movements in temporary differences		**4,500**	7,406
Over provision in respect of prior years		**(8,060)**	(421)
	12	**(3,560)**	6,985
Withholding tax		**3,003**	6,004
Total income tax expense		**10,803**	17,569
Reconciliation of effective tax rate			
Profit for the year		**167,106**	340,009
Total income tax expense		**10,803**	17,569
Profit before income tax		**177,909**	357,578
Tax calculated using Singapore tax rate of 17% (2021: 17%)		**30,245**	60,788
Expenses not deductible for tax purposes		**43,118**	2,324
Tax exempt revenue		**(122)**	(122)
Income not subject to tax		**(7,253)**	(7,914)
Effect of different tax rates in other countries		**4,131**	1,945
Effect of results of equity-accounted investees presented net of tax		**(13,027)**	(19,639)
Withholding tax		**3,003**	6,004
Tax incentives		**(3,907)**	(945)
Utilisation of previously unrecognised tax losses		**(385)**	–
Over provision in respect of prior years		**(45,000)**	(24,872)
		10,803	17,569

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

27 PROFIT FOR THE YEAR

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

	Note	Group 2022 $'000	Group 2021 $'000
Direct operating expenses from investment properties		**18,323**	15,638
Audit fees payable/paid to auditors of the Company		**595**	478
Non-audit fees paid to auditors of the Company		**892**	139
Depreciation of property, plant and equipment and right-of-use assets	4	**997**	1,045
Staff costs		**11,965**	12,088
Contributions to defined contribution plans included in staff costs		**679**	615
(Writeback of impairment loss)/impairment loss on trade receivables	34	**(685)**	273

28 EARNINGS PER SHARE

	Group 2022 $'000	Group 2021 $'000
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	**165,880**	330,512

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

	Group 2022 Number of shares '000	Group 2021 Number of shares '000
Ordinary shares in issue at beginning of the year	**703,338**	703,338
Effect of own shares held	**(39,322)**	(39,322)
Weighted average number of ordinary shares in issue during the year	**664,016**	664,016

29 DIVIDENDS

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

	Group and Company 2022 $'000	Group and Company 2021 $'000
Proposed first and final tax-exempt dividend of 8 cents (2021: 10 cents) per share	**53,121**	66,402

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel

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

Key management personnel compensation comprises:

	Group	
	2022	**2021**
	$'000	**$'000**
Directors' fees	**539**	492
Directors' remuneration:		
– short-term employee benefits	**6,296**	13,259
	6,835	13,751

Other related party transactions

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

		Group	
		2022	**2021**
		$'000	**$'000**
Associates and jointly-controlled entities			
Management fee		**294**	294
Interest income		**1,978**	1,729
Related corporations			
Rental income		**81**	81
Other operating expenses:			
– insurance on investment properties		**146**	83
– other insurances		**141**	137
– printing		**9**	5
– commission		**–**	159
– others		**51**	33
Other related parties			
Donations made	(i)	**2,100**	2,500

(i) The donation of $2,100,000 (2021: $2,500,000) was made to Ho Bee Foundation ("Foundation"), of which Dr. Chua Thian Poh, Mr. Seow Choke Meng and Ms. Josephine Choo are Directors.

NOTES TO THE FINANCIAL STATEMENTS

31 LEASES

(a) Leases as lessee

The Group leases some office premises for its subsidiaries in Australia. The leases run for a period of 1 to 6 years.

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

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

(b) Leases as lessor

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

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

	Group	
	2022 **$'000**	**2021** **$'000**
Operating leases under SFRS(I) 16		
Less than one year	**239,104**	206,052
One to two years	**199,128**	169,116
Two to three years	**181,370**	130,682
Three to four years	**125,696**	97,499
Four to five years	**113,794**	51,060
More than five years	**298,459**	111,966
Total	**1,157,551#**	766,375

Excludes lease payments to be received for Elementum, which cannot be reliably estimated at the reporting date.

32 COMMITMENTS

As at 31 December 2022, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	2022 **$'000**	**2021** **$'000**
Authorised and contracted for:		
Subscription for additional interest in European property funds and notes	**24,859**	55,604
Development expenditure for properties under development	**26,919**	30,257
Capital expenditure for investment properties	**142,488**	166,896
Balance sum on purchase of land for development properties	**–**	235,620
	194,266	488,377

33 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

Credit risk

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

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

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

Financial guarantee

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

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

The Company has assessed that the subsidiaries and jointly-controlled entity have strong financial capacity to meet their contractual cash flow obligations in the near future and hence, does not expect significant credit losses from these guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

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

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

As at the reporting date, the Group has undrawn committed revolving credit facilities of $280,300,000 (2021: $388,755,000) which can be drawn down to meet short-term financing needs.

Market risk

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

Interest rate risk

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

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

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

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

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

Cash flow hedges

As at 31 December 2022, a subsidiary of the Group has entered into interest rate swaps totalling $450,000,000 (2021: $450,000,000) to fix the interest relating to the payment of periodic interest charges arising from bank borrowings, and designated these as cash flow hedges. The risk being hedged was the variability of cash flows arising from movements in interest rates. The hedges will be in place until the bank borrowings mature in 2024.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Cash flow hedges (cont'd)

The cash flows will occur on a periodic basis until the loans mature in 2024 and these hedges which are designated as cash flow hedges, are considered to be highly effective. The carrying value of the hedging instruments were remeasured to their fair value at each reporting date, with the effective portion of changes in fair value since inception being taken to the hedging reserve. The gain recognised in the OCI in 2022 in respect of the changes in fair value of the hedging instruments was $27,143,000 (2021: $18,657,000). There was no ineffectiveness recognised in profit or loss that arose from the cash flow hedges.

Managing interest rate benchmark reform and associated risks

Overview

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

In 2021, the Group replaced all of its floating-rate borrowings indexed to the Sterling London Inter-Bank Offered Rate ("LIBOR") with the Sterling Overnight Interbank Average Rate ("SONIA"), and a floating-rate borrowing indexed to the Singapore swap offered rates ("SOR") with the Singapore Overnight Rate Average ("SORA").

In 2022, the Group amended its remaining SOR linked borrowing and interest rate swaps to reference SORA. Following the amendments, as at 31 December 2022, all of the Group's floating-rate liabilities are now indexed to SONIA or SORA, and the Group is no longer exposed to any interest rate risk arising from the IBOR reform.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. In 2022, the Group replaced all of its interest rate swaps that have floating legs indexed to SOR with SORA. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA. This benchmark rate is quoted each day and the cash flows are exchanged with its counterparties as usual.

The Group has replaced its SOR interest rate derivatives used in cash flow hedging relationships with economically equivalent interest rate derivatives referencing SORA by the end of 2022. Therefore, there is no longer uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. As a result, the Group no longer applies the amendments to SFRS(I) 9 issued in December 2019 (Phase 1) to those hedging relationships.

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YEAR ENDED 31 DECEMBER 2022

33 FINANCIAL RISK MANAGEMENT (CONT'D)

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

The following table shows the total amounts of unreformed contracts at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR Total amount of unreformed contracts	
	2022 $'000	**2021 $'000**
Group		
Financial liabilities		
Secured bank loan	–	450,000
Derivatives		
Interest rate swaps	–	450,000

Foreign currency risk

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

Net investment hedge in foreign operation

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

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal. No ineffectiveness was recognised from the net investment hedge.

34 FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

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

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

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

	Group	
	2022	**2021**
	$'000	**$'000**
(Writeback of impairment loss)/impairment loss on trade receivables	**(685)**	273

At the reporting date, the Group has receivables owing from jointly-controlled entities totalling to $137,398,000 (2021: $183,492,000) representing 51% (2021: 61%) of total gross trade and other receivables. Except for these receivables, there was no concentration of credit risk.

<u>**Impairment losses**</u>

Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. ECL is calculated based on actual credit loss experience over the past three years, and adjusted for differences between economic conditions during the period over which the historic data has been collected, current market conditions and the Group's view of economic conditions over the expected lives of the receivables. As of 31 December 2022, no scalar factor has been applied.

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

	2022		2021	
	Gross carrying amount $'000	**Impairment loss allowance $'000**	**Gross carrying amount $'000**	**Impairment loss allowance $'000**
Group				
Not past due	**17,907**	**–**	14,773	–
Past due 1 – 30 days	**1,390**	**–**	984	–
Past due 31 – 120 days	**684**	**–**	77	–
More than 120 days past due	**1,866**	**(50)**	989	(871)
	21,847	**(50)**	16,823	(871)

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YEAR ENDED 31 DECEMBER 2022

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Movements in allowance for impairment in respect of trade receivables

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

	Group	
	2022	**2021**
	$'000	**$'000**
At 1 January	**871**	593
Impairment loss recognised	**–**	693
Writeback of impairment loss	**(685)**	(420)
Bad debt written off	**(129)**	(4)
Exchange differences	**(7)**	9
At 31 December	**50**	871

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

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

Guarantees

The Group's policy is to provide financial guarantees only for its subsidiaries, associates and jointly-controlled entities' liabilities. At 31 December 2022, the Company has issued guarantees to certain banks in respect of credit facilities granted to nine subsidiaries and one jointly-controlled entity (see Note 18). The Company had assessed that the expected credit loss in respect of the Company's guarantees issued was insignificant.

Amounts due from subsidiaries and jointly-controlled entities

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

Cash and cash equivalents

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

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

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

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Secured bank loans*	**3,423,984**	**(3,712,898)**	**(1,343,423)**	**(2,369,475)**	**–**
Rental deposits	**30,021**	**(30,021)**	**(5,112)**	**(24,909)**	**–**
Trade and other payables**	**86,153**	**(86,153)**	**(83,447)**	**(2,706)**	**–**
Lease liability	**720**	**(786)**	**(251)**	**(489)**	**(46)**
Recognised liabilities	**3,540,878**	**(3,829,858)**	**(1,432,233)**	**(2,397,579)**	**(46)**
Financial guarantees (unrecognised)	**–**	**(111,475)**	**(111,475)**	**–**	**–**
	3,540,878	**(3,941,333)**	**(1,543,708)**	**(2,397,579)**	**(46)**
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans*	2,545,336	(2,652,528)	(576,841)	(2,075,687)	–
Rental deposits	20,571	(20,571)	(8,261)	(12,310)	–
Trade and other payables**	69,905	(69,905)	(52,240)	(17,665)	–
Lease liability	423	(442)	(211)	(231)	–
Recognised liabilities	2,636,235	(2,743,446)	(637,553)	(2,105,893)	–
Financial guarantees (unrecognised)	–	(184,450)	(50,680)	(133,770)	–
	2,636,235	(2,927,896)	(688,233)	(2,239,663)	–

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

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

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

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YEAR ENDED 31 DECEMBER 2022

34 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 2022					
Non-derivative financial liabilities					
Secured bank loans	**1,073,548**	**(1,099,478)**	**(945,222)**	**(154,256)**	**–**
Amounts due to subsidiaries	**64,802**	**(64,802)**	**(37,526)**	**(27,276)**	**–**
Trade and other payables*	**6,735**	**(6,735)**	**(6,735)**	**–**	**–**
Lease liability	**972**	**(983)**	**(983)**	**–**	**–**
Recognised liabilities	**1,146,057**	**(1,171,998)**	**(990,466)**	**(181,532)**	**–**
Intragroup financial guarantees (unrecognised)	**–**	**(2,464,332)**	**(410,662)**	**(2,053,670)**	**–**
	1,146,057	**(3,636,330)**	**(1,401,128)**	**(2,235,202)**	**–**
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	33,360	(34,148)	(34,148)	–	–
Amounts due to subsidiaries	2,397	(2,397)	(2,397)	–	–
Trade and other payables*	14,004	(14,004)	(14,004)	–	–
Lease liability	2,112	(2,164)	(1,180)	(984)	–
Recognised liabilities	51,873	(52,713)	(51,729)	(984)	–
Intragroup financial guarantees (unrecognised)	–	(2,702,671)	(762,402)	(1,940,269)	–
	51,873	(2,755,384)	(814,131)	(1,941,253)	–

* Exclude goods and services tax payable.

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

Exposure to currency risk

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

	2022					2021				
	USD $'000	GBP $'000	AUD $'000	EUR $'000	RMB $'000	USD $'000	GBP $'000	AUD $'000	EUR $'000	RMB $'000
Group										
Financial assets	**159**	**–**	**–**	**77,611**	**–**	304	–	–	225,833	–
Amounts due from subsidiaries	**–**	**538,715**	**565,473**	**–**	**–**	32,731	671,800	286,561	–	2,250
Cash and cash equivalents	**391**	**1,468**	**818**	**144**	**3**	287	42,655	5,225	1,589	41,935
Loans and borrowings	**–**	**(1,470,837)**	**(43,273)**	**–**	**–**	–	(1,812,682)	(755)	(113,421)	–
Net exposure in the statement of financial position	**550**	**(930,654)**	**523,018**	**77,755**	**3**	33,322	(1,098,227)	291,031	114,001	44,185
Cross currency interest rate swap	**–**	**–**	**(100,000)**	**–**	**–**	–	–	–	–	–
Borrowings designated for net investment hedges	**–**	**1,076,594**	**–**	**–**	**–**	–	–	–	–	–
Net exposure	**550**	**145,940**	**423,018**	**77,755**	**3**	33,322	(1,098,227)	291,031	114,001	44,185
Company										
Financial assets	**–**	**–**	**–**	**77,611**	**–**	–	–	–	225,833	–
Amounts due from subsidiaries	**–**	**538,715**	**565,473**	**–**	**–**	–	658,215	276,068	–	–
Cash and cash equivalents	**21**	**1,468**	**818**	**144**	**3**	–	–	–	1,586	41,851
Loans and borrowings	**–**	**(930,758)**	**(43,273)**	**–**	**–**	–	(33,751)	–	–	–
Net exposure in the statement of financial position	**21**	**(390,575)**	**523,018**	**77,755**	**3**	–	624,464	276,068	227,419	41,851
Cross currency interest rate swap	**–**	**–**	**(100,000)**	**–**	**–**	–	–	–	–	–
Net exposure	**21**	**(390,575)**	**423,018**	**77,755**	**3**	–	624,464	276,068	227,419	41,851

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YEAR ENDED 31 DECEMBER 2022

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

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

	10% strengthening of SGD	
	Equity $'000	Profit before income tax $'000
Group		
31 December 2022		
USD	**–**	**(55)**
GBP	**(20,559)**	**(14,594)**
AUD	**(42,853)**	**(42,302)**
EUR	**–**	**(7,776)**
RMB	**–**	**–**
31 December 2021		
USD	(3,273)	(59)
GBP	111,047	(1,224)
AUD	(1,496)	(27,607)
EUR	–	(11,400)
RMB	–	(4,419)
Company		
31 December 2022		
GBP	**–**	**39,058**
AUD	**–**	**(42,302)**
EUR	**–**	**(7,776)**
RMB	**–**	**–**
31 December 2021		
GBP	(61,275)	(1,171)
AUD	–	(27,607)
EUR	–	(22,742)
RMB	–	(4,185)

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

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Hedge accounting

Net investment hedges

At 31 December 2022, the Group's amounts relating to items designated as hedging instruments for net investment hedge are as follows:

	Nominal amount	Carrying amount – assets	Carrying amount – liabilities	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item affected in profit or loss because of the reclassification
	$'000	$'000	$'000		$'000	$'000	$'000		$'000	
2022										
Foreign exchange denominated debt (GBP)	**1,505,360**	**–**	**1,505,360**	Loans and borrowings	**(16,860)**	**(16,860)**	**–**	**NA**	**–**	**NA**
Foreign exchange denominated debt (AUD)	**136,940**	**–**	**136,940**	Loans and borrowings	**(21,772)**	**(21,772)**	**–**	**NA**	**–**	**NA**
	1,642,300	**–**	**1,642,300**		**(38,632)**	**(38,632)**	**–**	**NA**	**–**	**NA**
2021										
Foreign exchange denominated debt (GBP)	477,628	–	477,628	Loans and borrowings	1,628	1,628	–	NA	–	NA

	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	$'000	$'000	$'000
For the year ended 31 December 2022			
GBP net investment	**(16,860)**	**(13,870)**	**–**
AUD net investment	**(21,772)**	**(21,772)**	**–**
	(38,632)	**(35,642)**	**–**
For the year ended 31 December 2021			
GBP net investment	1,628	2,990	–

NA: Not Applicable

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

Profile

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

	Group Carrying amount		Company Carrying amount	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fixed rate instruments				
Financial assets	**377,683**	195,476	**1,011,129**	1,003,356
Lease liabilities	**(720)**	(423)	**(972)**	(2,112)
Effect of interest rate swaps	**(450,000)**	(450,000)	**–**	–
	(73,037)	(254,947)	**1,010,157**	1,001,244
Variable rate instruments				
Bank loans	**(3,423,984)**	(2,545,336)	**(1,073,548)**	(33,360)
Effect of interest rate swaps	**450,000**	450,000	**–**	–
	(2,973,984)	(2,095,336)	**(1,073,548)**	(33,360)

Sensitivity analysis

Fixed rate instruments

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

Variable rate instruments

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

	Profit before income tax	
	100 bp increase $'000	100 bp decrease $'000
Group		
31 December 2022		
Variable rate instruments	**(29,740)**	**29,740**
31 December 2021		
Variable rate instruments	(20,953)	20,953

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

	Profit before income tax 100 bp increase $'000	100 bp decrease $'000
Company		
31 December 2022		
Variable rate instruments	**(10,735)**	**10,735**
31 December 2021		
Variable rate instruments	(334)	334

Estimation of fair values for financial assets and liabilities

Valuation processes applied by the Group

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

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

Financial assets designated at FVTPL and FVOCI

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

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

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

Interest-bearing bank loans (secured)

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

Other financial assets and liabilities

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

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34 FINANCIAL INSTRUMENTS (CONT'D)

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

Interest rates used in determining fair values

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

	2022 %	2021 %
Receivables	**2.0 – 4.4**	1.0 – 1.5
Payables	**3.0 – 5.1**	1.0 – 1.6

Fair values versus carrying amounts

The carrying amounts of the Group's and the Company's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2022 and 31 December 2021. Fair value disclosure of lease liabilities is not required.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets carried at fair value				
Group				
31 December 2022				
Financial assets at FVTPL	**4,089**	**–**	**77,692**	**81,781**
Financial assets at FVOCI	**–**	**–**	**78**	**78**
Interest rate swaps used for hedging	**–**	**12,300**	**–**	**12,300**
	4,089	**12,300**	**77,770**	**94,159**
31 December 2021				
Financial assets at FVTPL	5,221	–	226,059	231,280
Financial assets at FVOCI	–	–	78	78
Interest rate swaps used for hedging	–	(14,843)	–	(14,843)
	5,221	(14,843)	226,137	216,515

34 FINANCIAL INSTRUMENTS (CONT'D)

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

Level 2 fair values

The Group entered into interest rate swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps are carried at fair value at each reporting date, based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs in measuring the fair value.

	Group	
	Contract/ notional amount $'000	Fair value of assets/ (liabilities) $'000
31 December 2022		
Cash flow hedges – Interest rate swaps	**450,000**	**12,300**
31 December 2021		
Cash flow hedges – Interest rate swaps	450,000	(14,843)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at FVTPL $'000	Financial assets at FVOCI $'000	Total $'000
Group			
2022			
At 1 January	**226,059**	**78**	**226,137**
Fair value changes	**29,213**	**–**	**29,213**
Realised gain recognised in profit or loss	**73**	**–**	**73**
Exchange differences recognised in profit or loss	**(9,628)**	**–**	**(9,628)**
Purchases	**5,810**	**–**	**5,810**
Distribution	**(49,900)**	**–**	**(49,900)**
Redemption	**(123,935)**	**–**	**(123,935)**
At 31 December	**77,692**	**78**	**77,770**
Total gain for the year included in profit or loss for assets held as at 31 December	**19,658**	**–**	**19,658**
2021			
At 1 January	174,431	77	174,508
Fair value changes	37,520	–	37,520
Realised gain recognised in profit or loss	67	–	67
Exchange differences recognised in profit or loss	(11,575)	1	(11,574)
Purchases	27,388	–	27,388
Distribution	(170)	–	(170)
Redemption	(1,602)	–	(1,602)
At 31 December	226,059	78	226,137
Total gain for the year included in profit or loss for assets held as at 31 December	26,012	1	26,013

34 FINANCIAL INSTRUMENTS (CONT'D)

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

Level 3 fair values (cont'd)

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

	2022 $'000	2021 $'000
Other income		
Fair value gain	**29,213**	37,520
Realised gains from financial assets designated at FVTPL	**73**	67
	29,286	37,587
Gain on foreign exchange		
Exchange differences recognised	**(9,628)**	(11,574)
Total gain for the year included in profit or loss	**19,658**	26,013

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of European property fund and debt instruments (notes) are determined based on the latest available net asset value ("NAV") of the funds and notes obtained from the investment property/fund manager. The underlying assets of the European property fund and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

Due to the inherent uncertainty of valuations of financial assets, the estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Sensitivity analysis

For financial assets at FVTPL, a change of 10% in fair value of the investments would result in an increase or decrease of profit before income tax by $8,178,000 (2021: $23,128,000).

34 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	FVOCI – equity instruments $'000	Fair value – hedging instruments $'000	Financial liabilities at amortised cost $'000	Total $'000
Group						
31 December 2022						
Trade and other receivables, including derivatives*	**250,522**	**–**	**–**	**12,300**	**–**	**262,822**
Financial assets at FVOCI	**–**	**–**	**78**	**–**	**–**	**78**
Financial assets at FVTPL	**–**	**81,781**	**–**	**–**	**–**	**81,781**
Cash and cash equivalents	**327,386**	**–**	**–**	**–**	**–**	**327,386**
Loans and borrowings	**–**	**–**	**–**	**–**	**(3,424,704)**	**(3,424,704)**
Trade and other payables**	**–**	**–**	**–**	**–**	**(128,163)**	**(128,163)**
	577,908	**81,781**	**78**	**12,300**	**(3,552,867)**	**(2,880,800)**
31 December 2021						
Trade and other receivables*	214,293	–	–	–	–	214,293
Financial assets at FVOCI	–	–	78	–	–	78
Financial assets at FVTPL	–	231,280	–	–	–	231,280
Cash and cash equivalents	123,415	–	–	–	–	123,415
Loans and borrowings	–	–	–	–	(2,545,759)	(2,545,759)
Trade and other payables, including derivatives**	–	–	–	(14,843)	(90,476)	(105,319)
	337,708	231,280	78	(14,843)	(2,636,235)	(2,082,012)

* Excludes prepayments, tax recoverable and goods and services tax recoverable.

** Excludes goods and services tax payable and sale deposits.

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34 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	Financial liabilities at amortised cost $'000	Total $'000
Company				
31 December 2022				
Trade and other receivables*	**1,446,670**	**–**	**–**	**1,446,670**
Financial assets at FVTPL	**–**	**77,611**	**–**	**77,611**
Cash and cash equivalents	**160,890**	**–**	**–**	**160,890**
Loans and borrowings	**–**	**–**	**(1,074,520)**	**(1,074,520)**
Trade and other payables**	**–**	**–**	**(71,537)**	**(71,537)**
	1,607,560	**77,611**	**(1,146,057)**	**539,114**
31 December 2021				
Trade and other receivables*	1,197,605	–	–	1,197,605
Financial assets at FVTPL	–	225,833	–	225,833
Cash and cash equivalents	56,249	–	–	56,249
Loans and borrowings	–	–	(35,472)	(35,472)
Trade and other payables**	–	–	(16,401)	(16,401)
	1,253,854	225,833	(51,873)	1,427,814

* Excludes prepayments.

** Excludes goods and services tax payable.

35 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Property investment : The investment in properties.
- Property development : The development and trading in properties.

Other segments include investing in equity securities, private equity and European property fund and notes. These segments do not meet any of the quantitative thresholds for determining reportable segments in 2022 or 2021.

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

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Property Development $'000	Property Investment $'000	Others $'000	Total $'000
31 December 2022				
External revenue	**175,940**	**259,682**	**–**	**435,622**
Operating results	**50,014**	**239,170**	**–**	**289,184**
Fair value changes in investment properties				**(98,749)**
Other operating income				**39,178**
Other operating expenses				**(42,383)**
Profit from operations				**187,230**
Finance costs				**(88,019)**
Share of profits of associates				**32,711**
Share of profits of jointly-controlled entities				**45,987**
Income tax expense				**(10,803)**
Profit for the year				**167,106**
Other material items:				
Additions/capital expenditure	**–**	**1,336,642**	**–**	**1,336,642**
Reportable segment assets	**610,677**	**5,862,232**	**81,859**	**6,554,768**
Investments in associates and jointly-controlled entities*	**554,739**	**–**	**–**	**554,739**
Reportable segment liabilities	**175,806**	**3,333,397**	**–**	**3,509,203**
31 December 2021				
External revenue	123,951	223,742	–	347,693
Operating results	19,635	205,391	–	225,026
Fair value changes in investment properties				53,106
Other operating income				40,197
Other operating expenses				(36,487)
Profit from operations				281,842
Finance costs				(39,789)
Share of profits of associates				44,217
Share of profits of jointly-controlled entities				71,308
Income tax expense				(17,569)
Profit for the year				340,009
Other material items:				
Additions/capital expenditure	–	184,482	–	184,482
Reportable segment assets	352,884	5,006,157	231,358	5,590,399
Investments in associates and jointly-controlled entities*	797,776	–	–	797,776
Reportable segment liabilities	41,384	2,599,883	–	2,641,267

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments (cont'd)

Reconciliations of reportable segment assets and liabilities and other material items

	2022 $'000	2021 $'000
Assets		
Total assets for reportable segments	**6,472,909**	5,359,041
Assets for other segment	**81,859**	231,358
Investments in equity accounted investees*	**554,739**	797,776
Other unallocated amounts	**492,152**	352,142
Consolidated total assets	**7,601,659**	6,740,317
Liabilities		
Total liabilities for reportable segments	**3,509,203**	2,641,267
Other unallocated amounts	**162,464**	149,399
Consolidated total liabilities	**3,671,667**	2,790,666

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

	Reportable segment total $'000	Unallocated amounts $'000	Consolidated total $'000
Other material items			
31 December 2022			
Additions/capital expenditure	**1,336,642**	**–**	**1,336,642**
Depreciation of property, plant and equipment and right-of-use assets	**–**	**997**	**997**
31 December 2021			
Additions/capital expenditure	184,482	–	184,482
Depreciation of property, plant and equipment and right-of-use assets	–	1,045	1,045

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

35 OPERATING SEGMENTS (CONT'D)

(b) Geographical segments

The Group operates principally in Singapore, United Kingdom, Australia and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business. Segment assets are based on the geographical location of the assets.

	Singapore $'000	United Kingdom $'000	Australia $'000	China $'000	Consolidated total $'000
31 December 2022					
Revenue	**158,021**	**157,612**	**116,156**	**3,833**	**435,622**
Non-current assets*	**2,942,883**	**3,211,207**	**34,595**	**162,633**	**6,351,318**
31 December 2021					
Revenue	174,477	122,964	48,996	1,256	347,693
Non-current assets*	2,767,942	2,531,196	36,446	427,113	5,762,697

* Excludes financial assets, other receivables and deferred tax asset.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more to the Group's revenue.

36 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 34.

Investment properties

Investment properties are stated at fair value. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment property portfolio at each year end.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably. The valuers have considered valuation techniques including market comparison method, the income capitalisation method and the residual value method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. Assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate, comparable market price and occupancy rate.

36 DETERMINATION OF FAIR VALUES (CONT'D)

Investment properties (cont'd)

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The income capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property.

The residual value method, which is used to value the property in its existing partially completed state of construction, involves estimating the gross development value ("GDV") of the proposed development and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin on construction and development. The GDV is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. In estimating the GDV, the valuer has considered the sale of comparable properties with adjustments made to reflect the differences in location, tenure, size, standard of finishes and fittings as well as the dates of transactions.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 34.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets carried at fair value				
Group				
31 December 2022				
Investment properties	**–**	**–**	**5,756,115**	**5,756,115**
31 December 2021				
Investment properties	–	–	4,952,993	4,952,993

36 DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties 2022 $'000	Investment properties 2021 $'000
Group		
At 1 January	**4,952,993**	4,629,845
Additions/capital expenditure	**1,336,642**	184,482
Disposal	**(13,600)**	–
Reclassification from deposit for land premium	**–**	55,900
Gains and losses for the year		
Fair value changes	**(98,749)**	53,106
Exchange differences	**(421,171)**	29,660
At 31 December	**5,756,115**	4,952,993

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 31 December 2022:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties in Singapore	Market comparison method	Transacted price of comparable properties[1]: $701 - $2,502 psf (2021: $647 - $2,170 psf)	The estimated fair value would increase with higher transacted price of comparable properties
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2021: 3.50% - 5.00%)	The estimated fair value would increase with lower capitalisation rate
Commercial property under development in Singapore	Residual value method	Gross development value: $479,000,000 (2021: $463,900,000)	The estimated fair value would increase with higher gross development value
		Estimated cost to completion: $141,427,000 (2021: $165,018,000)	The estimated fair value would increase with lower cost to completion
Commercial properties in United Kingdom	Income capitalisation approach	Capitalisation rates: 4.21% - 7.66% (2021: 4.03% - 5.65%)	The estimated fair value would increase with lower capitalisation rate

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

37 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

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

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

38 SUBSEQUENT EVENT

Disposal of two Singapore properties

On 7 March 2023, the Group entered into a sale and purchase agreement with an unrelated third party to dispose of its two Singapore properties, HB Centre 1 and HB Centre 2 for a consideration of $115,000,000. The consideration was arrived at on a willing-seller and willing-buyer basis, and will be satisfied wholly in cash. As at 15 March 2023, the Group had received a deposit of $11,500,000, with the balance to be received upon completion, which is expected to be on or before 27 June 2023. The gain on disposal is estimated to be $47,100,000, before related transaction costs.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HO BEE LAND LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The information in this Appendix IV has been extracted and reproduced from the Annual Report of Ho Bee Land Limited and its subsidiaries for the financial year ended 31 December 2023 and has not been specifically prepared for inclusion in this Information Memorandum.

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 2023.

In our opinion:

(a) the financial statements set out on pages 72 to 145 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

DIRECTORS' STATEMENT

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

Name of director and corporation in which interests are held	Holdings in which the director has a direct interest		Holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Chua Thian Poh				
The Company				
- ordinary shares	–	–	501,819,150	501,819,150
Immediate and ultimate holding company				
Ho Bee Holdings (Pte) Ltd				
- ordinary shares	18,150,000	18,150,000	3,850,000	3,850,000
Nicholas Chua Wee-Chern				
The Company				
- ordinary shares	3,072,000	3,192,000	–	–
Ong Chong Hua				
The Company				
- ordinary shares	1,940,000	1,940,000	–	–
Bobby Chin Yoke Choong				
The Company				
- ordinary shares	131,000	131,000	–	–

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

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

There were no changes in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 January 2024.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' STATEMENT

DIRECTORS' CONTRACTUAL BENEFITS

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

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

SHARE OPTIONS

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

AUDIT & RISK COMMITTEE

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

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

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

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

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

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

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

DIRECTORS' STATEMENT

AUDITORS

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

On behalf of the Board of Directors

Chua Thian Poh
Director

Nicholas Chua
Director

Singapore
15 March 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company
Ho Bee Land Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ho Bee Land Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policy information as set out on pages 72 to 145.

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

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Ho Bee Land Limited

Valuation of investment properties (S$5,608 million)
(Refer to Notes 5 & 36 to the financial statements)

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Ho Bee Land Limited

Valuation of development properties (S$516 million)
(Refer to Note 13 to the financial statements)

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

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 all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report, and other sections in the annual report (collectively, "the Reports") are expected to be made available to us after that date.

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Ho Bee Land Limited

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

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

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

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the Company								
	Share capital $'000	**Reserve for own shares $'000**	**Capital reserve $'000**	**Hedging reserve $'000**	**Foreign currency translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group									
At 1 January 2023	**156,048**	**(67,796)**	**791**	**12,300**	**(132,513)**	**3,946,899**	**3,915,729**	**14,263**	**3,929,992**
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	(259,845)	(259,845)	808	(259,037)
Other comprehensive income									
Changes in fair value of cash flow hedges	–	–	–	(21,645)	–	–	(21,645)	–	(21,645)
Foreign currency translation differences relating to foreign operations	–	–	–	–	25,150	–	25,150	(383)	24,767
Exchange differences on hedges of net investment in foreign operations	–	–	–	–	(5,778)	–	(5,778)	–	(5,778)
Share of foreign currency translation differences of equity-accounted investees	–	–	–	–	(4,523)	–	(4,523)	–	(4,523)
Total other comprehensive income	–	–	–	(21,645)	14,849	–	(6,796)	(383)	(7,179)
Total comprehensive income for the year	–	–	–	(21,645)	14,849	(259,845)	(266,641)	425	(266,216)
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners of the Company									
Dividend paid to non-controlling shareholder	–	–	–	–	–	–	–	(600)	(600)
Final tax-exempt dividend paid of 8 cents per share in respect of 2022	–	–	–	–	–	(53,121)	(53,121)	–	(53,121)
Total distributions to owners of the Company	–	–	–	–	–	(53,121)	(53,121)	(600)	(53,721)
At 31 December 2023	156,048	(67,796)	791	(9,345)	(117,664)	3,633,933	3,595,967	14,088	3,610,055

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Net cash generated from operating activities brought forward		**319,100**	57,091
Cash flows from investing activities			
Net cash outflow on acquisition of a subsidiary (Note A)		**–**	(1,283,713)
Purchase of property, plant and equipment	4	**(3,576)**	(10,144)
Proceeds from sale of property, plant and equipment		**503**	182
Interest received		**9,405**	2,445
Dividends from investment at FVTPL		**112**	167
Dividends from associate		**101,085**	77,137
Investment in jointly-controlled entities		**(8,245)**	(1,379)
Distributions from associates (capital reduction)		**–**	122,760
Redemption of preference shares of jointly-controlled entity		**68,093**	–
Repayment from jointly-controlled entities (non-trade)		**84,294**	49,589
Additions to investment properties		**(165,080)**	(31,318)
Proceeds from sale of investment properties		**114,380**	16,406
Purchase of financial assets at FVTPL		**(12,419)**	(6,941)
Redemption of financial assets at FVTPL		**490**	123,935
Distributions from financial assets at FVTPL		**15,277**	49,900
Net cash generated from/(used in) investing activities		**204,319**	(890,974)
Cash flows from financing activities			
Proceeds from bank loans		**1,210,614**	1,640,883
Repayment of bank loans		**(1,672,655)**	(418,327)
Payment of lease liability		**(312)**	(216)
Interest paid		**(165,789)**	(88,759)
Dividend paid		**(53,121)**	(66,402)
Dividend paid to non-controlling shareholder		**(600)**	(6,550)
Repayment to non-controlling shareholder		**–**	(14,785)
Net cash (used in)/generated from financing activities		**(681,863)**	1,045,844
Net (decrease)/increase in cash and cash equivalents		**(158,444)**	211,961
Cash and cash equivalents at 1 January		**327,386**	123,415
Effect of exchange rate fluctuations on cash held		**3,735**	(7,990)
Cash and cash equivalents at 31 December	15	**172,677**	327,386

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

Note A - Net cash outflow on acquisition of a subsidiary

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

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

1 DOMICILE AND ACTIVITIES

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

The financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly-controlled entities.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The changes to material accounting policies are described in Note 2.6.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Change in presentation of consolidated income statement

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

2.5 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONT'D)

2.5 Use of estimates and judgements (cont'd)

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

- Notes 5 and 36 — Valuation of investment properties
- Note 12 and 26 — Estimation of provisions for current and deferred taxation
- Note 13 — Measurement of realisable amounts of development properties
- Note 34 — Estimation of credit loss allowance on trade and other receivables
- Note 34 — Valuation of financial instruments

Measurement of fair values

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

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

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

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

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

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

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

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

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

2 BASIS OF PREPARATION (CONT'D)

2.6 Changes in accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

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

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

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

3 MATERIAL ACCOUNTING POLICIES

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

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

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

3.1 Basis of consolidation

(i) Business combinations

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

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

The Group measures goodwill at the date of acquisition as:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

***(i) Business combinations* (cont'd)**

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

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Loss of control

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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

(v) Joint operations

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

(vi) Transactions eliminated on consolidation

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

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

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

3.2 Foreign currency

(i) Foreign currency transactions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

(ii) Foreign operations

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

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

(iii) Net investment in a foreign operation

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

(iv) Hedge of a net investment in foreign operation

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

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

<u>Financial assets at amortised cost</u>

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.

<u>Debt investments at FVOCI</u>

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.

<u>Equity investments at FVOCI</u>

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.

<u>Financial assets at FVTPL</u>

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investment at FVOCI

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

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

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

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

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

(vi) Derivative financial instruments and hedge accounting

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

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

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

Cash flow hedges

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

<u>Cash flow hedges (cont'd)</u>

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

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

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

<u>Net investment hedges</u>

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

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

(vii) Share capital

Ordinary shares

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

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

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

3.4 Property, plant and equipment

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

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

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

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

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

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

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

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

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

3.5 Investment properties

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Investment properties (cont'd)

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

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

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

3.6 Leases

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

As a lessee

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

As a lessee (cont'd)

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

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

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

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

3.7 Impairment

(i) Non-derivative financial assets

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

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

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

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

Simplified approach

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

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

General approach

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

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

Presentation of allowance for ECLs in the statement of financial position

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

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

Write-off

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

(ii) Non-financial assets

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Development properties

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

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

3.9 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

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

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

Loans to subsidiaries and associate

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

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

3.11 Revenue recognition

Sale of development properties in Singapore and overseas

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Revenue recognition (cont'd)

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

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

Rental income

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

Dividend income

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

Interest income

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

Management fee income

The Group recognises income over time as the services are rendered.

3.12 Finance income and finance costs

The Group's finance income and finance costs include:

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Tax

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

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

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

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

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

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

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

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

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

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

3.14 Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 Segment reporting

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

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

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

3.16 New standards and amendments not adopted

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

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

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

4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property $'000	Right-of-use asset $'000	Leasehold improvements $'000	Paintings and sculptures $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Cost							
At 1 January 2022	1,722	521	1,536	40,087	6,194	2,275	52,335
Additions	–	577	47	8,590	848	657	10,719
Disposals	–	(43)	–	–	(233)	(230)	(506)
Effects of movements in exchange rate	(122)	(83)	(101)	–	(86)	(51)	(443)
At 31 December 2022	1,600	972	1,482	48,677	6,723	2,651	62,105
Additions	**–**	**247**	**–**	**765**	**1,244**	**1,320**	**3,576**
Disposals	**–**	**–**	**(626)**	**–**	**(664)**	**(816)**	**(2,106)**
Effects of movements in exchange rate	**(18)**	**(14)**	**30**	**–**	**(11)**	**28**	**15**
At 31 December 2023	**1,582**	**1,205**	**886**	**49,442**	**7,292**	**3,183**	**63,590**
Accumulated depreciation							
At 1 January 2022	343	106	1,012	–	5,238	1,128	7,827
Depreciation charge for the year	34	208	86	–	287	382	997
Disposals	–	(32)	–	–	(120)	(159)	(311)
Effects of movements in exchange rate	(26)	(17)	(48)	–	(20)	(45)	(156)
At 31 December 2022	351	265	1,050	–	5,385	1,306	8,357
Depreciation charge for the year	**31**	**308**	**92**	**–**	**435**	**374**	**1,240**
Disposals	**–**	**–**	**(626)**	**–**	**(661)**	**(513)**	**(1,800)**
Effects of movements in exchange rate	**(4)**	**–**	**17**	**–**	**1**	**7**	**21**
At 31 December 2023	**378**	**573**	**533**	**–**	**5,160**	**1,174**	**7,818**
Carrying amounts							
At 1 January 2022	1,379	415	524	40,087	956	1,147	44,508
At 31 December 2022	1,249	707	432	48,677	1,338	1,345	53,748
At 31 December 2023	**1,204**	**632**	**353**	**49,442**	**2,132**	**2,009**	**55,772**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Right-of-use asset $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Paintings $'000	Total $'000
Cost					
At 1 January 2022	5,368	3,583	729	3	9,683
Additions	–	67	536	–	603
Disposals	–	–	(230)	–	(230)
At 31 December 2022	5,368	3,650	1,035	3	10,056
Additions	**13**	**72**	**754**	**–**	**839**
Derecognition	**(5,381)**	**–**	**–**	**–**	**(5,381)**
At 31 December 2023	**–**	**3,722**	**1,789**	**3**	**5,514**
Accumulated depreciation					
At 1 January 2022	3,333	3,483	213	–	7,029
Depreciation charge for the year	1,110	56	111	–	1,277
Disposals	–	–	(159)	–	(159)
At 31 December 2022	4,443	3,539	165	–	8,147
Depreciation charge for the year	**938**	**58**	**183**	**–**	**1,179**
Derecognition	**(5,381)**	**–**	**–**	**–**	**(5,381)**
At 31 December 2023	**–**	**3,597**	**348**	**–**	**3,945**
Carrying amounts					
At 1 January 2022	2,035	100	516	3	2,654
At 31 December 2022	925	111	870	3	1,909
At 31 December 2023	**–**	**125**	**1,441**	**3**	**1,569**

The Company leases its office space from a subsidiary. The right-of-use asset arising from this lease is presented as part of property, plant and equipment. The lease ended on 31 October 2023.

5 INVESTMENT PROPERTIES

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

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

Investment properties comprise a number of commercial properties that are leased to third party customers. Each of the leases contains an initial non-cancellable period of 1 to 15 years. Subsequent renewals are negotiated with the lessees. During the year, contingent rent of $120,000 (2022: $240,000) was charged and recognised as rental income in profit or loss.

Certain investment properties with carrying value amounting to $5,505,747,000 (2022: $4,546,238,000) have been pledged to secure banking facilities granted to the Group (see Note 18).

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6 SUBSIDIARIES

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

Impairment loss

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

Details of the material subsidiaries are as follows:

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

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

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

6 SUBSIDIARIES (CONT'D)

Acquisition of a subsidiary

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

7 ASSOCIATES

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

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

Reconciliation of carrying amounts of interest in associates

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

8 JOINTLY-CONTROLLED ENTITIES

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

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

Reconciliation of carrying amounts of interest in jointly-controlled entities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

8 JOINTLY-CONTROLLED ENTITIES (CONT'D)

Company

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

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

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

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

9 OTHER ASSETS

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

10 FINANCIAL ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 FINANCIAL ASSETS (CONT'D)

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

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

11 OTHER RECEIVABLES

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

(i) Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 8.11% (2022: 2.00% to 5.00%) and 3.60% to 12.70% (2022: 2.00% to 3.60%) per annum, respectively.

(ii) Amounts owing from subsidiaries and jointly-controlled entities are unsecured, interest-free, and have no fixed terms of repayment. The settlement of these balances is neither planned nor likely to occur in the foreseeable future, and hence are classified as non-current receivables. Allowance for impairment on the amounts owing by subsidiaries and jointly-controlled entities under SFRS(I) 9 is insignificant.

12 DEFERRED TAX

Movements in deferred tax liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2022	Recognised in income statement (Note 26)	Exchange differences	At 31 December 2022	Recognised in income statement (Note 26)	Exchange differences	At 31 December 2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Deferred tax liabilities							
Investment properties	23,877	(8,415)	(2,082)	13,380	**(13,449)**	**216**	**147**
Development properties	2,165	3,845	(373)	5,637	**4,298**	**(36)**	**9,899**
Others	57	1,137	(43)	1,151	**1,062**	**4**	**2,217**
	26,099	(3,433)	(2,498)	20,168	**(8,089)**	**184**	**12,263**
Deferred tax assets							
Tax losses	142	127	(14)	255	**272**	**5**	**532**

13 DEVELOPMENT PROPERTIES

	Group	
	2023	2022
	$'000	$'000
Properties for which revenue is to be recognised at a point in time		
Properties held for sale	**78,551**	77,378
Properties under development	**438,769**	493,482
	517,320	570,860
Allowance for foreseeable losses	**(1,206)**	(494)
Total development properties	**516,114**	570,366

During the year, development properties of $128,373,000 (2022: $120,947,000) were recognised as cost of sales and included in 'cost of sales – residential development projects'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13 DEVELOPMENT PROPERTIES (CONT'D)

Movements in allowance for foreseeable losses are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	**(494)**	(551)
Allowance made	**(692)**	–
Exchange differences	**(20)**	57
At 31 December	**(1,206)**	(494)

The Group's development properties are carried at lower of cost and net realisable value. The determination of net realisable value requires judgement and estimate by management. The Group estimates the level of allowance for foreseeable losses based on the prevailing selling prices of the development properties or similar development properties within the vicinity at the reporting date, and costs to be incurred in selling the property. In the absence of current prices in an active market, valuations were obtained from an independent property valuer. Where necessary, allowance for foreseeable losses would be recorded as a result of deterioration in the estimated market values for development properties.

During the year, allowance for foreseeable losses of $692,000 (2022; nil) was made due to the Group's write-down of properties held for sale to net realisable values.

Certain development properties with carrying value amounting to $27,314,000 (2022: $26,934,000) were pledged to secure banking facilities granted to the Group (see Note 18).

14 TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables	**35,364**	16,577	**–**	–
Accrued rent receivables	**3,847**	5,270	**–**	–
Impairment losses	**(52)**	(50)	**–**	–
Net trade receivables	**39,159**	21,797	**–**	–
Other deposits	**6,263**	7,824	**121**	150
Amounts due from:				
- subsidiaries (non-trade)				
- interest bearing	**–**	–	**30,931**	8,997
- non-interest bearing	**–**	–	**19,646**	5,190
- jointly-controlled entities (non-trade)				
- interest bearing	**18,976**	12,959	**–**	–
- non-interest bearing	**219**	–	**218**	–
Other receivables	**3,707**	82,770	**–**	65,108
Derivative financial asset	**4,923**	12,300	**–**	–
	73,247	137,650	**50,916**	79,445
GST recoverable	**6,619**	1,903	**–**	–
Prepayments	**2,606**	1,157	**66**	168
Tax recoverable	**1,243**	4,207	**–**	–
	83,715	144,917	**50,982**	79,613

Amounts due from subsidiaries and jointly-controlled entities are unsecured and repayable within the next 12 months. These balances are amounts lent to subsidiaries and jointly-controlled entities to meet their short-term funding requirements. Interest-bearing amounts due from subsidiaries and jointly-controlled entities are charged at an interest rate of 2.00% to 2.50% (2022: 2.00% to 2.50%) and 7.50% to 10.00% (2022: 7.50%) per annum, respectively.

In 2022, other receivables included an amount of $58,593,000 pertaining to dividend declared and receivable from a China associate. The amount has been fully received in 2023.

The measurement of expected credit loss on trade and other receivables involves management's estimate of the credit risk of the financial instruments and reflects the Group's assessment of economic conditions and possible default events over the expected lives of these receivables. Refer to Note 34 for the Group's assessment on credit risk exposure and determination of expected credit loss ("ECL").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and in hand	**81,704**	80,167	**2,604**	11,209
Fixed deposits	**90,973**	247,219	**20,040**	149,681
	172,677	327,386	**22,644**	160,890

The weighted average effective interest rates relating to fixed deposits at the balance sheet date for the Group is 4.76% (2022: 3.78%) per annum.

16 SHARE CAPITAL

	Group and Company	
	2023	2022
	Number of shares	Number of shares
	'000	'000
Fully paid ordinary shares, with no par value:		
At 1 January and 31 December	**703,338**	703,338

As at 31 December 2023, included in the total number of ordinary shares was 39,321,600 (2022: 39,321,600) shares purchased by the Company (the "Treasury Shares") by way of market acquisition at an average price of $1.72 per share. The Treasury Shares were deducted from total equity (see Note 17).

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

Capital management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net profit divided by total shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Group funds its operations and growth through a mix of equity and debt. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

From time to time, the Group may undertake share purchases or acquisitions under its approved Share Purchase Mandate if and when circumstances permit, as part of the Group's management mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The purchases or acquisitions of its shares seek to increase shareholders' values and provide greater flexibility over the Company's share capital structure.

There were no changes in the Group's approach to capital management during the year.

16 SHARE CAPITAL (CONT'D)

The net gearing ratio is calculated as net debt divided by total equity (excluding non-controlling interests). Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Borrowings	**3,064,684**	3,424,704	**273,728**	1,074,520
Less: Cash and cash equivalents	**(172,677)**	(327,386)	**(22,644)**	(160,890)
Net debt	**2,892,007**	3,097,318	**251,084**	913,630
Total equity (excluding non-controlling interests)	**3,595,967**	3,915,729	**2,123,906**	2,293,249
Net gearing ratio	**0.80**	0.79	**0.12**	0.40

Certain entities in the Group are required to comply with externally imposed capital requirements in respect of some of their external borrowings, and these have either been complied with, or waived by the lenders during the year.

17 RESERVES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Reserve for own shares	**(67,796)**	(67,796)	**(67,796)**	(67,796)
Capital reserve	**791**	791	**–**	–
Hedging reserve	**(9,345)**	12,300	**(2,931)**	–
Foreign currency translation reserve	**(117,664)**	(132,513)	**–**	–
Retained earnings	**3,633,933**	3,946,899	**2,038,585**	2,204,997
	3,439,919	3,759,681	**1,967,858**	2,137,201

Reserve for own shares

Reserve for own shares comprises the cost of the Company's shares held by the Group.

Capital reserve

The capital reserve which arose prior to 1 January 2001, comprises negative goodwill arising on acquisition of interests in subsidiaries and effect of discounting of a loan extended to a subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

17 RESERVES (CONT'D)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company, the gain or loss on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges and exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

18 LOANS AND BORROWINGS

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**2,484,587**	2,193,486	**161,338**	143,033
Unsecured bank loan	**100,000**	–	**100,000**	–
Lease liabilities	**426**	493	**–**	–
	2,585,013	2,193,979	**261,338**	143,033
Current liabilities				
Secured bank loans	**479,439**	1,230,498	**12,390**	930,515
Lease liabilities	**232**	227	**-**	972
	479,671	1,230,725	**12,390**	931,487
	3,064,684	3,424,704	**273,728**	1,074,520

The bank loans are secured on the following assets:

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Investment properties	5	**5,505,747**	4,546,238
Development properties	13	**27,314**	26,934
Carrying amounts		**5,533,061**	4,573,172

In addition, the Group's bank loans are secured by legal assignment of sales and rental proceeds of the above properties pledged.

18 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Effective interest rate %	Expected year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2023				
Secured bank loans	**2.96 – 6.67**	**2024 – 2028**	**2,964,026**	**2,964,026**
Unsecured bank loan	**5.81**	**2025**	**100,000**	**100,000**
Lease liabilities	**4.00**	**2024 – 2028**	**706**	**658**
31 December 2022				
Secured bank loans	1.05 – 5.05	2023 – 2026	3,423,984	3,423,984
Lease liabilities	4.00	2023 – 2028	786	720
Company				
31 December 2023				
Secured bank loans	**4.60 – 4.79**	**2027**	**173,728**	**173,728**
Unsecured bank loan	**5.81**	**2025**	**100,000**	**100,000**
31 December 2022				
Secured bank loans	1.17 – 5.05	2023 – 2025	1,073,548	1,073,548
Lease liabilities	2.50	2023	983	972

The Group's bank loans are all pegged to floating rates.

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees provided by the Company to banks in respect of banking facilities amounting to $2,892,399,000 (2022: $2,464,332,000) extended to its subsidiaries and jointly-controlled entities. The Group's financial guarantees relate to those extended by the Company to jointly-controlled entities. The periods in which the financial guarantees expire are as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Less than 1 year	**–**	111,475	**470,177**	410,662
Between 1 and 5 years	**93,975**	–	**2,422,222**	2,053,670
More than 5 years	**–**	–	**–**	–
	93,975	111,475	**2,892,399**	2,464,332

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivative liabilities/ (assets) held to hedge long-term borrowings	
	Bank loans	**Lease liabilities**	**Amount due to non-controlling shareholder**	**Interest rate swap – net liabilities/ (assets)**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
Balance at 1 January 2022	2,545,336	423	17,666	14,843	2,578,268
Changes from financing cash flows					
Proceeds from bank loans	1,640,883	–	–	–	1,640,883
Repayment of liabilities	(418,327)	(216)	(14,785)	–	(433,328)
Interest paid	(88,745)	(14)	–	–	(88,759)
Total changes from financing cash flows	1,133,811	(230)	(14,785)	–	1,118,796
Exchange differences	(346,654)	(64)	(176)	–	(346,894)
Fair value changes	–	–	–	(27,143)	(27,143)
Other changes					
Liability-related					
Lease liabilities recognised	–	577	–	–	577
Interest expense	91,491	14	–	–	91,505
Total liability-related other changes	91,491	591	–	–	92,082
Balance at 31 December 2022	3,423,984	720	2,705	(12,300)	3,415,109
Balance at 1 January 2023	**3,423,984**	**720**	**2,705**	**(12,300)**	**3,415,109**
Changes from financing cash flows					
Proceeds from bank loans	**1,210,614**	**–**	**–**	**–**	**1,210,614**
Repayment of liabilities	**(1,672,655)**	**(312)**	**–**	**–**	**(1,672,967)**
Interest paid	**(165,757)**	**(32)**	**–**	**–**	**(165,789)**
Total changes from financing cash flows	**(627,798)**	**(344)**	**–**	**–**	**(628,142)**
Exchange differences	**100,248**	**4**	**(24)**	**–**	**100,228**
Fair value changes	**–**	**–**	**–**	**21,645**	**21,645**
Other changes					
Liability-related					
Lease liabilities recognised	**–**	**246**	**–**	**–**	**246**
Interest expense	**167,592**	**32**	**–**	**–**	**167,624**
Total liability-related other changes	**167,592**	**278**	**–**	**–**	**167,870**
Balance at 31 December 2023	**3,064,026**	**658**	**2,681**	**9,345**	**3,076,710**

19 OTHER LIABILITIES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Amount due to subsidiary (non-trade)	**–**	–	**–**	27,276
Rental deposits	**20,026**	24,909	**–**	–
Sales deposits	**4,560**	–	**–**	–
Amount due to non-controlling shareholder (non-trade)	**2,681**	2,705	**–**	–
Amount due to related company (non-trade)	**5,024**	–	**5,024**	–
	32,291	27,614	**5,024**	27,276

Amount due to a subsidiary is unsecured and interest-free, and not expected to be repayable within the next 12 months.

Amount due to a non-controlling shareholder (non-trade) represents the non-controlling shareholder's net investment in the Group. The amount is unsecured and interest-free, and not expected to be repayable within the next 12 months. Accordingly, this non-current financial liability is measured at amortised cost.

Amount due to a related company (non-trade) is unsecured and interest-free, and not expected to be repayable within the next 12 months.

20 DEFERRED INCOME

	Group	
	2023	**2022**
	$'000	**$'000**
Rental advances from tenants:		
- non-current	**41,853**	46,525
- current	**2,001**	1,671
	43,854	48,196

Included within rental advances from tenants is an amount of $40,513,000 (2022: $42,183,000) received by the Group arising from its sale of a 30-year leasehold interest in an investment property with 999-year tenure in 2018. The sale proceeds are amortised and recognised as rental income over the 30-year leasehold period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21 TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Sales deposits	**12,333**	10,758	**–**	–
Rental deposits	**3,412**	5,112	**–**	–
Advance rental	**18,862**	28,880	**–**	–
Accrued operating expenses and development expenditure	**59,213**	26,542	**3,242**	6,688
Amounts due to subsidiaries (non-trade)	**–**	–	**345,242**	37,526
Other payables	**44,403**	29,257	**–**	47
Derivative financial liabilities	**17,528**	–	**17,528**	–
Goods and services tax payable	**8,310**	7,584	**299**	273
	164,061	108,133	**366,311**	44,534

Amounts due to subsidiaries (non-trade) are unsecured and interest-free, and are repayable on demand.

22 REVENUE

Revenue represents the sale of development properties, rental income and service charges, after eliminating inter-company transactions.

	Group	
	2023	2022
	$'000	$'000
Revenue from contracts with customers:		
- sales of development properties, transferred at a point in time	**189,072**	175,940
Rental income and service charges from:		
- investment properties	**252,961**	255,844
- development properties	**2,837**	3,838
	444,870	435,622

23 OTHER GAINS AND FAIR VALUE CHANGES

	Group 2023 $'000	Group 2022 $'000
Income from property management services	**1,515**	1,263
Management fee income	**3,454**	878
Dividend income from investment at FVTPL	**112**	167
Realised gains from financial assets at FVTPL	**2**	73
Fair value changes in financial assets at FVTPL	**(12,963)**	27,286
Gain on disposal of investment properties	**46,480**	2,806
Surrender premium received from tenant	**8,929**	–
Rent top-up received from vendor	**3,892**	–
Right-to-lights compensation	**–**	4,064
Dilapidation income	**–**	1,799
Others	**1,290**	842
	52,711	39,178

24 DIRECTORS' REMUNERATION

Number of directors in remuneration bands:

	2023 Number of Directors	2022 Number of Directors
$500,000 and above	**3**	3
$250,000 to $499,999	**–**	–
Below $250,000	**6***	6*
Total	**9**	9

* Comprises 6 (2022: 6) non-executive directors.

25 FINANCE INCOME AND FINANCE COSTS

	Group 2023 $'000	Group 2022 $'000
Interest income from debt investments carried at amortised cost/finance income	**9,920**	3,486
Interest expenses on financial liabilities measured at amortised cost/finance costs	**(167,624)**	(91,505)
Net finance costs recognised in profit or loss	**(157,704)**	(88,019)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

26 INCOME TAX EXPENSE

	Note	Group 2023 $'000	Group 2022 $'000
Current tax expense			
Current year		**43,209**	48,300
Under/(over) provision in respect of prior years		**4,376**	(36,940)
		47,585	11,360
Deferred tax expense			
Movements in temporary differences		**(11,492)**	4,500
Under/(over) provision in respect of prior years		**3,131**	(8,060)
	12	**(8,361)**	(3,560)
Withholding tax		**1,244**	3,003
Total income tax expense		**40,468**	10,803

Reconciliation of effective tax rate

	Group 2023 $'000	Group 2022 $'000
(Loss)/profit for the year	**(259,037)**	167,106
Total income tax expense	**40,468**	10,803
(Loss)/profit before income tax	**(218,569)**	177,909
Tax calculated using Singapore tax rate of 17% (2022: 17%)	**(37,157)**	30,245
Expenses not deductible for tax purposes	**104,862**	43,118
Tax exempt revenue	**(70)**	(122)
Income not subject to tax	**(41,834)**	(7,253)
Effect of different tax rates in other countries	**9,785**	4,131
Effect of results of equity-accounted investees presented net of tax	**(288)**	(13,027)
Withholding tax	**1,244**	3,003
Tax incentives	**(3,581)**	(3,907)
Utilisation of previously unrecognised tax losses	**–**	(385)
Under/(over) provision in respect of prior years	**7,507**	(45,000)
	40,468	10,803

Significant judgement is required in determining the Group's taxability of certain income, capital allowances, and deductibility of certain expenses during the estimation of the provision for income taxes and deferred tax liabilities. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Group's statement of financial position.

27 (LOSS)/PROFIT FOR THE YEAR

The following significant items have been included in arriving at (loss)/profit for the year:

	Note	Group 2023 $'000	Group 2022 $'000
Included in staff costs & directors' remuneration:			
- Contributions to defined contribution plans		**781**	679
Included in other operating expenses:			
- Audit fees payable/paid to auditors of the Company		**598**	595
- Non-audit fees paid to auditors of the Company		**349**	892
- Depreciation of property, plant and equipment and right-of-use assets	4	**1,240**	997
- Impairment loss/(writeback of impairment loss) on trade receivables	34	**2**	(685)
- Write-down of properties held for sale to net realisable values	13	**692**	–

28 (LOSS)/EARNINGS PER SHARE

	Group 2023 $'000	Group 2022 $'000
Basic (loss)/earnings per share is based on:		
Net (loss)/profit attributable to ordinary shareholders	**(259,845)**	165,880

The Company does not have any dilutive potential ordinary shares in existence for the current and previous financial years.

	Group 2023 Number of shares '000	Group 2022 Number of shares '000
Ordinary shares in issue at beginning of the year	**703,338**	703,338
Effect of own shares held	**(39,322)**	(39,322)
Weighted average number of ordinary shares in issue during the year	**664,016**	664,016

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

29 DIVIDENDS

After the balance sheet date, the Directors proposed the following dividends, which have not been provided for.

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Proposed first and final tax-exempt dividend of 3 cents (2022: 8 cents) per share	**19,920**	53,121

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Group are considered as key management personnel.

Key management personnel compensation comprises:

	Group	
	2023	**2022**
	$'000	**$'000**
Directors' fees	**555**	539
Directors' remuneration:		
- short-term employee benefits	**5,407**	6,296
	5,962	6,835

30 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the transactions with related parties entered into on terms agreed between the parties are as follows:

		Group	
		2023	2022
		$'000	$'000
Associates and jointly-controlled entities			
Management fee		**3,420**	294
Interest income		**1,991**	1,978
Related corporations			
Rental income		**69**	81
Other operating expenses:			
- insurance on investment properties		**144**	146
- other insurances		**100**	141
- printing		**13**	9
- others		**50**	51
Other related parties			
Donations made	(i)	**1,200**	2,100

(i) The donation of $1,200,000 (2022: $2,100,000) was made to Ho Bee Foundation ("Foundation"), of which Dr Chua Thian Poh, Mr Seow Choke Meng and Ms Josephine Choo are directors.

31 LEASES

(a) Leases as lessee

The Group leases some office premises for its subsidiaries in Australia. The leases run for a period of 1 to 6 years.

Information about the right-of-use asset relating to the leased office premise is in Note 4.

(b) Leases as lessor

The Group leases out its investment properties and certain properties held for sale. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

31 LEASES (CONT'D)

(b) Leases as lessor (cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023	**2022**
	$'000	**$'000**
Operating leases under SFRS(I) 16		
Less than one year	**258,596**	239,104
One to two years	**226,572**	199,128
Two to three years	**182,548**	181,370
Three to four years	**153,883**	125,696
Four to five years	**139,833**	113,794
More than five years	**213,670**	298,459
Total	**1,175,102**	1,157,551[#]

[#] *Excluded lease payments to be received for Elementum, which cannot be reliably estimated in 2022.*

32 COMMITMENTS

As at 31 December 2023, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Authorised and contracted for:		
Subscription for additional interest in European property funds and notes	**14,420**	24,859
Development expenditure for properties under development	**21,659**	26,919
Capital expenditure for investment properties	**–**	142,488
Balance sum on purchase of land for development properties	**6,731**	–
	42,810	194,266

33 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing the risk.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial assets. The Group has procedures in place to manage credit risk and exposure to such risk is monitored on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses. When the Group is satisfied that no recovery of the amount owing is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are restricted with counterparties who meet the appropriate credit criteria and/or are of high credit standing. As such, management does not expect any counterparty to fail to meet its obligations.

Financial guarantee

The principal risk to which the Company is exposed to is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were provided on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. Guarantees are only given to its subsidiaries, associates and jointly-controlled entities.

The intra-group financial guarantees with subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

The Company has assessed that the subsidiaries and jointly-controlled entity have strong financial capacity to meet their contractual cash flow obligations in the near future and hence, does not expect significant credit losses from these guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient level of cash and fixed deposits to meet its working capital requirements.

In addition, the Group maintains revolving credit facilities of a reasonable level compared to its current debt obligation. When necessary, the Group will raise committed funding from either the capital markets and/or financial institutions and prudently balance its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at the reporting date, the Group has undrawn committed revolving credit facilities of $466,029,000 (2022: $280,300,000) which can be drawn down to meet short-term financing needs.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group manages its interest rate exposure by actively reviewing its debt portfolio and switching to cheaper sources of funding to achieve a certain level of protection against interest rate hikes. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable rate borrowings, and the Group actively monitors the need and timing for such derivatives.

Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's statement of financial position.

Cash flow hedges

The Group has entered into interest rate swaps and cross currency interest rate swaps to fix the interest relating to the payment of periodic interest charges arising from bank borrowings, and designated these as cash flow hedges. The risk being hedged was the variability of cash flows arising from movements in interest rates.

The cash flows will occur on a periodic basis until the underlying loans mature and these hedges which are designated as cash flow hedges, are considered to be highly effective. The carrying value of the hedging instruments were remeasured to their fair value at each reporting date, with the effective portion of changes in fair value since inception being taken to the hedging reserve.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Cash flow hedges (cont'd)

The following table shows the derivatives designated as cash flow hedges by the Group.

	2023	2023	During the year - 2023		
	Nominal amount	Carrying amount - liabilities	Changes in fair value recognised in OCI	Reclassified from hedging reserve to profit or loss	Hedge ineffective-ness recognised in profit or loss
	$'000	$'000	$'000	$'000	$'000
Fixed rate derivatives					
Interest rate swaps	699,315	(6,414)	(18,285)	(429)	–
Cross currency interest rate swaps	175,412	(2,931)	(2,931)	–	–

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities. The Group is also exposed to currency translation risk on its net investments in foreign operations. The currencies giving rise to these risks are primarily the British pound ("GBP"), Australian dollar ("AUD"), and Euro ("EUR").

Net investment hedge in foreign operation

The Group designated its GBP and AUD-denominated external borrowings as a hedge of the net investment in its subsidiaries that are denominated in GBP and AUD to minimise the Group's exposure to the currency risk arising on translation of net investment in foreign operations. The hedged risk in the net investment hedge is the risk of a weakening GBP and/or AUD against the Singapore dollar ("SGD") that will result in a reduction in the carrying amount of the Group's net investment in the GBP and/or AUD foreign operations. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the SGD/GBP and SGD/AUD spot rates.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal. No ineffectiveness was recognised from the net investment hedge.

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Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Group's credit risk is primarily attributable to trade and other receivables and financial assets. Based on the Group's historical experience in the collection of accounts receivable, credit risk falls within the recorded allowance. Due to these factors, management believes that no additional credit risk is inherent in the Group's trade receivables.

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Impairment loss/(writeback of impairment loss) on trade receivables	**2**	(685)

At the reporting date, the Group has receivables owing from jointly-controlled entities totalling to $57,301,000 (2022: $137,398,000) representing 47% (2022: 51%) of total gross trade and other receivables. Except for these receivables, there was no concentration of credit risk.

Impairment losses

Expected credit loss ("ECL") assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. ECL is calculated based on actual credit loss experience over the past three years, and adjusted for differences between economic conditions during the period over which the historic data has been collected, current market conditions and the Group's view of economic conditions over the expected lives of the receivables. As of 31 December 2023, no scalar factor has been applied.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	2023		2022	
	Gross carrying amount	**Impairment loss allowance**	**Gross carrying amount**	**Impairment loss allowance**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	**14,569**	**–**	17,907	–
Past due 1 – 30 days	**24,170**	**–**	1,390	–
Past due 31 – 120 days	**349**	**–**	684	–
More than 120 days past due	**123**	**(52)**	1,866	(50)
	39,211	**(52)**	21,847	(50)

34 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk **(cont'd)**

Movements in allowance for impairment in respect of trade receivables

The movements in impairment loss in respect of trade receivables during the year are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	**50**	871
Impairment loss recognised	**2**	–
Writeback of impairment loss	**–**	(685)
Bad debt written off	**(2)**	(129)
Exchange differences	**2**	(7)
At 31 December	**52**	50

Impairment loss relates to tenants that are in financial difficulties and have defaulted on payments. Where the tenants have provided security deposits, the impairment loss were recognised based on rental in arrears net of security deposits.

Based on the Group's assessment, the Group believes that no further impairment allowance beyond that provided for is necessary in respect of trade and other receivables as the remaining balances are considered fully recoverable.

Guarantees

The Group's policy is to provide financial guarantees only for its subsidiaries, associates and jointly-controlled entities' liabilities. At 31 December 2023, the Company has issued guarantees to certain banks in respect of credit facilities granted to nine subsidiaries and one jointly-controlled entity (see Note 18). The Company had assessed that the expected credit loss in respect of the Company's guarantees issued was insignificant.

Amounts due from subsidiaries and jointly-controlled entities

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances was insignificant.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

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Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
Group					
31 December 2023					
Non-derivative financial liabilities					
Bank loans*	**3,064,026**	**(3,560,783)**	**(661,770)**	**(2,899,013)**	**–**
Rental deposits	**23,438**	**(23,438)**	**(3,412)**	**(20,026)**	**–**
Trade and other payables**	**130,183**	**(130,183)**	**(122,478)**	**(7,705)**	**–**
Lease liability	**658**	**(706)**	**(253)**	**(453)**	**–**
Recognised liabilities	**3,218,305**	**(3,715,110)**	**(787,913)**	**(2,927,197)**	**–**
Financial guarantees (unrecognised)	**–**	**(93,975)**	**–**	**(93,975)**	**–**
	3,218,305	**(3,809,085)**	**(787,913)**	**(3,021,172)**	**–**
31 December 2022					
Non-derivative financial liabilities					
Bank loans*	3,423,984	(3,712,898)	(1,343,423)	(2,369,475)	–
Rental deposits	30,021	(30,021)	(5,112)	(24,909)	–
Trade and other payables**	86,153	(86,153)	(83,447)	(2,706)	–
Lease liability	720	(786)	(251)	(489)	(46)
Recognised liabilities	3,540,878	(3,829,858)	(1,432,233)	(2,397,579)	(46)
Financial guarantees (unrecognised)	–	(111,475)	(111,475)	–	–
	3,540,878	(3,941,333)	(1,543,708)	(2,397,579)	(46)

* The contractual cashflows are net of the impact of interest rate swaps/cross currency swaps.
For bank loans with no interest rate swap arrangements, the contractual cashflows include the estimated interest payments based on interest rates repriced in the 4th quarter of each financial year.

** Exclude derivative financial liabilities, sales deposits and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements: (cont'd)

		Cash flows			
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**	**More than 5 years $'000**
Company					
31 December 2023					
Non-derivative financial liabilities					
Bank loans*	**273,728**	**(307,980)**	**(25,689)**	**(282,291)**	**–**
Amounts due to subsidiaries	**345,242**	**(345,242)**	**(345,242)**	**–**	**–**
Trade and other payables**	**3,242**	**(3,242)**	**(3,242)**	**–**	**–**
Recognised liabilities	**622,212**	**(656,464)**	**(374,173)**	**(282,291)**	**–**
Intragroup financial guarantees (unrecognised)	**–**	**(2,892,399)**	**(470,177)**	**(2,422,222)**	**–**
	622,212	**(3,548,863)**	**(844,350)**	**(2,704,513)**	**–**
31 December 2022					
Non-derivative financial liabilities					
Bank loans	1,073,548	(1,099,478)	(945,222)	(154,256)	–
Amounts due to subsidiaries	64,802	(64,802)	(37,526)	(27,276)	–
Trade and other payables**	6,735	(6,735)	(6,735)	–	–
Lease liability	972	(983)	(983)	–	–
Recognised liabilities	1,146,057	(1,171,998)	(990,466)	(181,532)	–
Intragroup financial guarantees (unrecognised)	–	(2,464,332)	(410,662)	(2,053,670)	–
	1,146,057	(3,636,330)	(1,401,128)	(2,235,202)	–

* The contractual cashflows are net of the impact of interest rate swaps/cross currency swaps.

** Exclude derivative financial liabilities, goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

Exposure to currency risk

The following table shows the Group's significant exposure to foreign currencies after taking into account cross currency interest rate swaps. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency, and exposure arising from inter-company balances which are considered to be in the nature of interests in the subsidiaries are excluded.

		2023			2022	
	GBP	**AUD**	**EUR**	**GBP**	**AUD**	**EUR**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Financial assets	**–**	**–**	**61,688**	–	–	77,611
Cash and cash equivalents	**2,267**	**18,073**	**136**	1,468	818	144
Amounts due to subsidiaries	**(269,642)**	**–**	**–**	(30,233)	–	–
Loans and borrowings	**(511,579)**	**–**	**–**	(1,470,837)	(43,273)	–
Net exposure in the statement of financial position	**(778,954)**	**18,073**	**61,824**	(1,499,602)	(42,455)	77,755
Cross currency interest rate swaps	**174,546**	**–**	**–**	–	–	–
Borrowings designated for net investment hedges	**337,033**	**–**	**–**	1,470,837	43,273	–
Net exposure	**(267,375)**	**18,073**	**61,824**	(28,765)	818	77,755
Company						
Financial assets	**–**	**–**	**61,688**	–	–	77,611
Cash and cash equivalents	**2,267**	**18,073**	**132**	1,468	818	144
Amounts due to subsidiaries	**(269,642)**	**–**	**–**	(30,233)	–	–
Loans and borrowings	**(174,546)**	**–**	**–**	(930,758)	(43,273)	–
Net exposure in the statement of financial position	**(441,921)**	**18,073**	**61,820**	(959,523)	(42,455)	77,755
Cross currency interest rate swaps	**174,546**	**–**	**–**	–	–	–
Net exposure	**(267,375)**	**18,073**	**61,820**	(959,523)	(42,455)	77,755

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

The foreign currencies which the Group is significantly exposed to are GBP, AUD and EUR. A 10% strengthening of the SGD against these foreign currencies at the reporting date would (decrease)/increase profit before tax and equity by amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	10% strengthening of SGD	
	Profit before tax $'000	Equity $'000
Group		
31 December 2023		
GBP	**26,737**	**(92,557)**
AUD	**(1,807)**	**(37,136)**
EUR	**(6,182)**	**–**
31 December 2022		
GBP	2,877	(20,559)
AUD	(82)	(42,853)
EUR	(7,776)	–
Company		
31 December 2023		
GBP	**26,737**	**–**
AUD	**(1,807)**	**–**
EUR	**(6,182)**	**–**
31 December 2022		
GBP	95,952	–
AUD	4,245	–
EUR	(7,776)	–

A 10% weakening of the SGD against the above currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

34 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Hedge accounting

Net investment hedges

At 31 December 2023, the Group's amounts relating to items designated as hedging instruments for net investment hedge are as follows:

	Nominal amount	Carrying amount – assets	Carrying amount – liabilities	Line item in the statement of financial position where the hedging instrument is included	Change in value used for calculating hedge ineffectiveness	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss	Line item affected in profit or loss because of the reclassification
	$'000	$'000	$'000		$'000	$'000	$'000		$'000	
2023										
Foreign exchange denominated debt (GBP)	**320,046**	**–**	**320,046**	Loans and borrowings	**(255)**	**(255)**	**–**	**NA**	**–**	**NA**
Foreign exchange denominated debt (AUD)	**103,278**	**–**	**103,278**	Loans and borrowings	**(5,523)**	**(5,523)**	**–**	**NA**	**–**	**NA**
	423,324	**–**	**423,324**		**(5,778)**	**(5,778)**	**–**	**NA**	**–**	**NA**
2022										
Foreign exchange denominated debt (GBP)	1,505,360	–	1,505,360	Loans and borrowings	(16,860)	(16,860)	–	NA	–	NA
Foreign exchange denominated debt (AUD)	136,940	–	136,940	Loans and borrowings	(21,772)	(21,772)	–	NA	–	NA
	1,642,300	–	1,642,300		(38,632)	(38,632)	–	NA	–	NA

	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	$'000	$'000	$'000
For the year ended 31 December 2023			
GBP net investment	**(255)**	**(14,125)**	**–**
AUD net investment	**(5,523)**	**(27,295)**	**–**
	(5,778)	**(41,420)**	**–**
For the year ended 31 December 2022			
GBP net investment	(16,860)	(13,870)	–
AUD net investment	(21,772)	(21,772)	–
	(38,632)	(35,642)	–

NA: Not Applicable

34 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	Carrying amount		Carrying amount	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Financial assets	**109,949**	377,683	**312,176**	1,011,129
Lease liabilities	**(658)**	(720)	**–**	(972)
Effect of interest rate swaps	**(699,315)**	(450,000)	**(294,315)**	–
Effect of cross currency interest rate swaps	**(175,412)**	–	**(175,412)**	–
	(765,436)	(73,037)	**(157,551)**	1,010,157
Variable rate instruments				
Financial assets	**30,959**	–	**450,075**	–
Bank loans	**(3,064,026)**	(3,423,984)	**(273,728)**	(1,073,548)
Effect of interest rate swaps	**699,315**	450,000	**294,315**	–
Effect of cross currency interest rate swaps	**175,412**	–	**175,412**	–
	(2,158,340)	(2,973,984)	**646,074**	(1,073,548)

Sensitivity analysis

Fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Variable rate instruments

For the interest rate swaps/cross currency swaps and the other variable rate financial assets and liabilities, an increase of 100 basis points ("bp") in interest rate at the reporting date would (decrease)/increase profit before tax by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	100 bp increase in interest rate	
	2023	2022
	$'000	$'000
Group		
Variable rate instruments	**(21,583)**	(29,740)
Company		
Variable rate instruments	**6,461**	(10,735)

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34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a finance team that reports directly to the Head of Finance, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The following summarises the methods and significant assumptions used in estimating the fair values of financial instruments of the Group and the Company.

Financial assets designated at FVTPL and FVOCI

The fair value of the Group's and the Company's financial assets designated at FVTPL and FVOCI is determined by reference to their quoted bid price at the balance sheet date. If a quoted market price is not available, the fair value of the financial assets is estimated using valuation techniques disclosed in the respective fair value levels.

Amounts due from/to subsidiaries, jointly-controlled entities and non-controlling shareholder

The carrying values of amounts due from/to subsidiaries and jointly-controlled entities that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows. The non-current loans due from subsidiaries form part of the Company's net investments in subsidiaries where settlements are neither planned nor likely to occur in the foreseeable future. For non-interest bearing amounts, the prevailing market interest rates of similar loans are used to discount the loans due to subsidiaries, due from/to jointly-controlled entities and non-controlling shareholder to arrive at their fair values.

Interest-bearing bank loans

The carrying values of interest-bearing bank loans that reprice within six months of the balance sheet date approximate their fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables, including derivatives) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are as follows:

	2023 %	2022 %
Receivables	**3.6 – 12.7**	2.0 – 4.4
Payables	**3.0 – 6.7**	3.0 – 5.1

Fair values versus carrying amounts

The carrying amounts of the Group's and the Company's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2023 and 31 December 2022. Fair value disclosure of lease liabilities is not required.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets/(liabilities) carried at fair value				
Group				
31 December 2023				
Financial assets at FVTPL	**5,368**	**–**	**61,688**	**67,056**
Financial assets at FVOCI	**–**	**–**	**77**	**77**
Interest rate swaps	**–**	**(6,414)**	**–**	**(6,414)**
Cross currency interest rate swaps	**–**	**(2,931)**	**–**	**(2,931)**
	5,368	**(9,345)**	**61,765**	**57,788**
31 December 2022				
Financial assets at FVTPL	4,089	–	77,692	81,781
Financial assets at FVOCI	–	–	78	78
Interest rate swaps	–	12,300	–	12,300
	4,089	12,300	77,770	94,159

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34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 2 fair values

The Group entered into interest rate swaps/cross currency swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps/cross currency swaps are carried at fair value at each reporting date, based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs in measuring the fair value.

	Group	
	Contract/ notional amount	**Fair value of assets/ (liabilities)**
	$'000	**$'000**
31 December 2023		
Cash flow hedges:		
- Interest rate swaps	**699,315**	**(6,414)**
- Cross currency interest rate swaps	**175,412**	**(2,931)**
	874,727	**(9,345)**
31 December 2022		
Cash flow hedges:		
- Interest rate swaps	450,000	12,300

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at FVTPL	**Financial assets at FVOCI**	**Total**
	$'000	**$'000**	**$'000**
Group			
2023			
At 1 January	**77,692**	**78**	**77,770**
Fair value changes	**(12,650)**	**–**	**(12,650)**
Realised gain recognised in profit or loss	**2**	**–**	**2**
Exchange differences recognised in profit or loss	**1,594**	**(1)**	**1,593**
Purchases	**10,817**	**–**	**10,817**
Distribution	**(15,277)**	**–**	**(15,277)**
Redemption	**(490)**	**–**	**(490)**
At 31 December	**61,688**	**77**	**61,765**
Total loss for the year included in profit or loss for assets held as at 31 December	**(11,054)**	**(1)**	**(11,055)**

34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 3 fair values (cont'd)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy: (cont'd)

	Financial assets at FVTPL $'000	Financial assets at FVOCI $'000	Total $'000
Group			
2022			
At 1 January	226,059	78	226,137
Fair value changes	29,213	–	29,213
Realised gain recognised in profit or loss	73	–	73
Exchange differences recognised in profit or loss	(9,628)	–	(9,628)
Purchases	5,810	–	5,810
Distribution	(49,900)	–	(49,900)
Redemption	(123,935)	–	(123,935)
At 31 December	77,692	78	77,770
Total gain for the year included in profit or loss for assets held as at 31 December	19,658	–	19,658

The gain for the year included in profit or loss comprises:

	2023 $'000	2022 $'000
Included in other gains and fair value changes:		
- fair value changes	**(12,650)**	29,213
- realised gains from financial assets at FVTPL	**2**	73
Included in exchange differences:		
- exchange differences recognised	**1,593**	(9,628)
	(11,055)	19,658

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of European property fund and debt instruments (notes) are determined based on the latest available net asset value ("NAV") of the funds and notes obtained from the investment property/fund manager. The underlying assets of the European property fund and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

Due to the inherent uncertainty of valuations of financial assets, the estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

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34 FINANCIAL INSTRUMENTS (CONT'D)

Estimation of fair values for financial assets and liabilities (cont'd)

Level 3 fair values (cont'd)

Sensitivity analysis

For financial assets at FVTPL, a change of 10% in fair value of the investments would result in an increase or decrease of profit before income tax by $6,706,000 (2022: $8,178,000).

Financial instruments by category

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	FVOCI – equity instruments $'000	Fair value – hedging instruments $'000	Financial liabilities at amortised cost $'000	Total $'000
Group						
31 December 2023						
Trade and other receivables, including derivatives*	**107,050**	**–**	**–**	**4,923**	**–**	**111,973**
Financial assets at FVOCI	**–**	**–**	**77**	**–**	**–**	**77**
Financial assets at FVTPL	**–**	**67,056**	**–**	**–**	**–**	**67,056**
Cash and cash equivalents	**172,677**	**–**	**–**	**–**	**–**	**172,677**
Loans and borrowings	**–**	**–**	**–**	**–**	**(3,064,684)**	**(3,064,684)**
Trade and other payables, including derivatives**	**–**	**–**	**–**	**(14,268)**	**(173,775)**	**(188,043)**
	279,727	**67,056**	**77**	**(9,345)**	**(3,238,459)**	**(2,900,944)**
31 December 2022						
Trade and other receivables*	250,522	–	–	12,300	–	262,822
Financial assets at FVOCI	–	–	78	–	–	78
Financial assets at FVTPL	–	81,781	–	–	–	81,781
Cash and cash equivalents	327,386	–	–	–	–	327,386
Loans and borrowings	–	–	–	–	(3,424,704)	(3,424,704)
Trade and other payables, including derivatives**	–	–	–	–	(128,163)	(128,163)
	577,908	81,781	78	12,300	(3,552,867)	(2,880,800)

* Excludes prepayments, tax recoverable and goods and services tax recoverable.

** Excludes goods and services tax payable and sale deposits.

34 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	Financial assets at amortised cost $'000	Financial assets at FVTPL $'000	Fair value - hedging instruments $'000	Financial liabilities at amortised cost $'000	Total $'000
Company					
31 December 2023					
Trade and other receivables*	**1,953,585**	**–**	**–**	**–**	**1,953,585**
Financial assets at FVTPL	**–**	**61,688**	**–**	**–**	**61,688**
Cash and cash equivalents	**22,644**	**–**	**–**	**–**	**22,644**
Loans and borrowings	**–**	**–**	**–**	**(273,728)**	**(273,728)**
Trade and other payables including derivatives**	**–**	**–**	**(2,931)**	**(368,106)**	**(371,037)**
	1,976,229	**61,688**	**(2,931)**	**(641,834)**	**1,393,152**
31 December 2022					
Trade and other receivables*	1,446,670	–	–	–	1,446,670
Financial assets at FVTPL	–	77,611	–	–	77,611
Cash and cash equivalents	160,890	–	–	–	160,890
Loans and borrowings	–	–	–	(1,074,520)	(1,074,520)
Trade and other payables**	–	–	–	(71,537)	(71,537)
	1,607,560	77,611	–	(1,146,057)	539,114

* Excludes prepayments.

** Excludes goods and services tax payable.

35 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Property development : The development and trading in properties.
- Property investment : The investment in properties.

Other segments include investing in equity securities, private equity and European property fund and notes. These segments do not meet any of the quantitative thresholds for determining reportable segments in 2023 or 2022.

Information regarding the results of each reportable segment is presented. Performance is measured based on segment operating results, as included in the internal management reports that are reviewed by management. Segment operating results are used to measure performance as management believe that such information is the most relevant in evaluating the results of specific segments relative to other entities that operate within these industries.

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35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments

	Property Development $'000	Property Investment $'000	Others $'000	Total $'000
31 December 2023				
External revenue	**189,072**	**255,798**	**–**	**444,870**
Operating results	**51,148**	**233,364**	**–**	**284,512**
Other gains and fair value changes				**52,711**
Other operating expenses				**(36,300)**
Net finance costs				**(157,704)**
Share of results of associates	**(10,230)**	**–**	**–**	**(10,230)**
Share of results of jointly-controlled entities	**12,363**	**–**	**–**	**12,363**
Fair value changes in investment properties	**–**	**(363,921)**	**–**	**(363,921)**
Income tax expense				**(40,468)**
Loss for the year				**(259,037)**
Other material items:				
Capital expenditure	**–**	**165,080**	**–**	**165,080**
Reportable segment assets	**531,145**	**5,725,662**	**67,133**	**6,323,940**
Investments in associates and jointly-controlled entities*	**490,595**	**–**	**–**	**490,595**
Reportable segment liabilities	**138,450**	**3,008,249**	**–**	**3,146,699**
31 December 2022				
External revenue	175,940	259,682	–	435,622
Operating results	50,014	239,170	–	289,184
Other gains and fair value changes				39,178
Other operating expenses				(42,383)
Net finance costs				(88,019)
Share of results of associates	32,711	–	–	32,711
Share of results of jointly-controlled entities	45,987	–	–	45,987
Fair value changes in investment properties	–	(98,749)	–	(98,749)
Income tax expense				(10,803)
Profit for the year				167,106
Other material items:				
Addition/capital expenditure	–	1,336,642	–	1,336,642
Reportable segment assets	610,677	5,862,232	81,859	6,554,768
Investments in associates and jointly-controlled entities*	554,739	–	–	554,739
Reportable segment liabilities	175,806	3,333,397	–	3,509,203

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

35 OPERATING SEGMENTS (CONT'D)

(a) Operating segments (cont'd)

Reconciliations of reportable segment assets and liabilities and other material items

	2023 $'000	2022 $'000
Assets		
Total assets for reportable segments	**6,256,807**	6,472,909
Assets for other segment	**67,133**	81,859
Investments in equity accounted investees*	**452,956**	554,739
Other unallocated amounts	**199,086**	492,152
Consolidated total assets	**6,975,982**	7,601,659
Liabilities		
Total liabilities for reportable segments	**3,146,699**	3,509,203
Other unallocated amounts	**219,228**	162,464
Consolidated total liabilities	**3,365,927**	3,671,667

* Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

	Reportable segment total $'000	Unallocated amounts $'000	Consolidated total $'000
Other material items			
31 December 2023			
Capital expenditure	**165,080**	**–**	**165,080**
Depreciation of property, plant and equipment and right-of-use assets	**–**	**(1,240)**	**(1,240)**
31 December 2022			
Addition/capital expenditure	1,336,642	–	1,336,642
Depreciation of property, plant and equipment and right-of-use assets	–	997	997

NOTES TO THE FINANCIAL STATEMENTS

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35 OPERATING SEGMENTS (CONT'D)

(b) Geographical segments

The Group operates principally in Singapore, United Kingdom, Australia and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business. Segment assets are based on the geographical location of the assets.

	Singapore $'000	United Kingdom $'000	Australia $'000	China $'000	Consolidated total $'000
31 December 2023					
Revenue	**103,213**	**152,671**	**188,986**	**-**	**444,870**
Non-current assets*	**3,079,747**	**2,868,382**	**42,069**	**106,787**	**6,096,985**
31 December 2022					
Revenue	158,021	157,612	116,156	3,833	435,622
Non-current assets*	2,942,883	3,211,207	34,595	162,633	6,351,318

* Excludes financial assets, other receivables and deferred tax asset.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more to the Group's revenue.

36 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial assets and liabilities

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 34.

Investment properties

Investment properties are stated at fair value. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment property portfolio at each year end.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably. The valuers have considered valuation techniques including market comparison method and the income capitalisation method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. Assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate, comparable market price and occupancy rate.

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

36 DETERMINATION OF FAIR VALUES (CONT'D)

Investment properties (cont'd)

The income capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property.

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 34.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Non-financial assets carried at fair value				
Group				
31 December 2023				
Investment properties	**–**	**–**	**5,607,769**	**5,607,769**
31 December 2022				
Investment properties	–	–	5,756,115	5,756,115

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties 2023 $'000	Investment properties 2022 $'000
Group		
At 1 January	**5,756,115**	4,952,993
Capital expenditure/addition	**165,080**	1,336,642
Disposal	**(67,900)**	(13,600)
Gains and losses for the year		
Fair value changes	**(363,921)**	(98,749)
Exchange differences	**118,395**	(421,171)
At 31 December	**5,607,769**	5,756,115

NOTES TO THE FINANCIAL STATEMENTS

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36 DETERMINATION OF FAIR VALUES (CONT'D)

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 31 December 2023:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties in Singapore	Market comparison method	Transacted price of comparable properties[1]: $1,200 - $3,150 psf (2022: $701 - $2,502 psf)	The estimated fair value would increase with higher transacted prices of comparable properties
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2022: 3.50% - 5.00%)	The estimated fair value would increase with a lower capitalisation rate
Commercial properties in the United Kingdom	Income capitalisation approach	Capitalisation rates: 5.00% - 9.81% (2022: 4.21% - 7.66%)	The estimated fair value would increase with a lower capitalisation rate

1 Adjusted for any differences in location, tenure, size and conditions of the specific property.