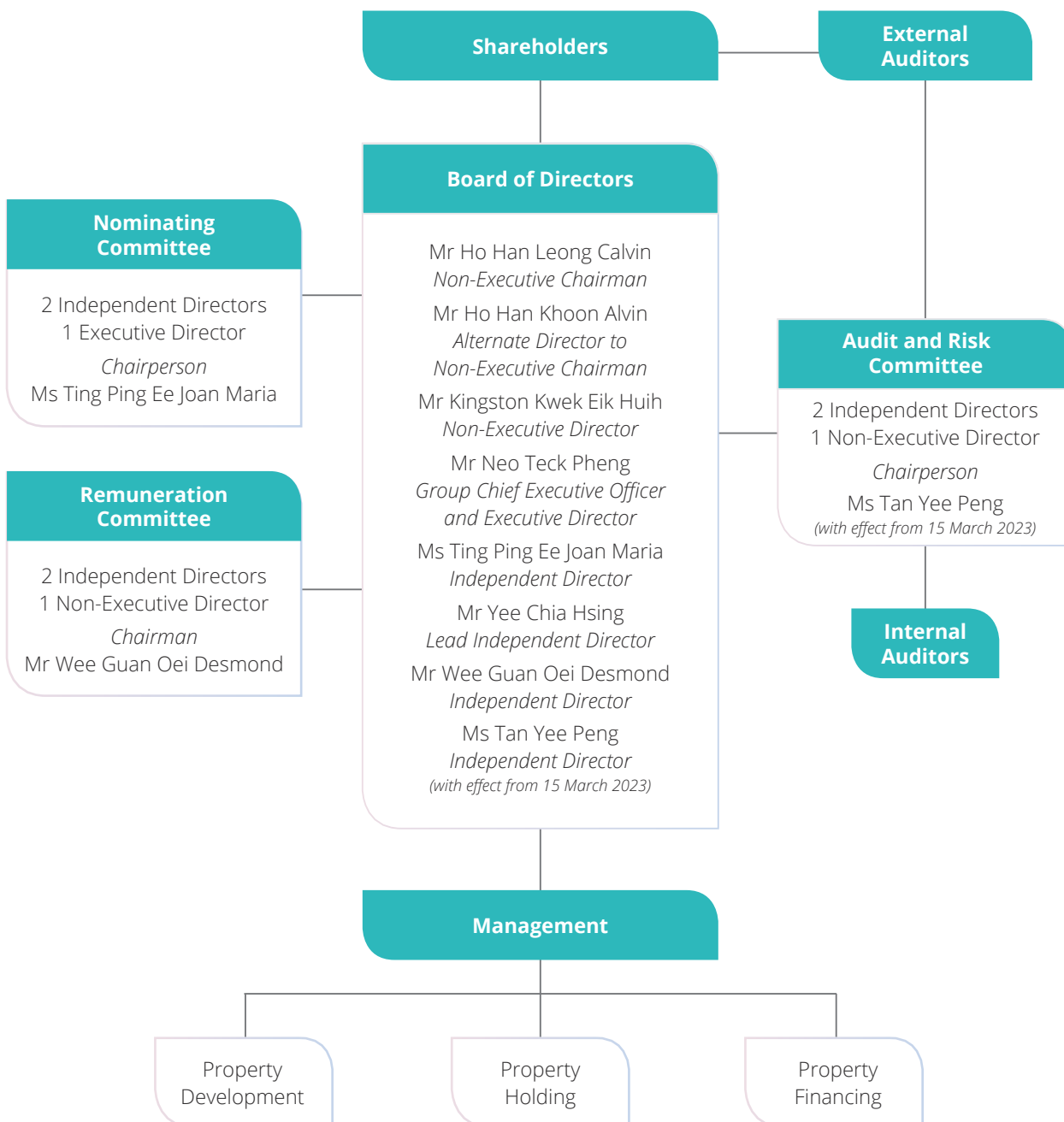


CORPORATE GOVERNANCE

First Sponsor Group Limited (“**Company**”, and together with its subsidiaries, “**Group**”) is committed to maintaining high standards of corporate governance to protect and enhance shareholder value. In compliance with Rule 710 of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX**”), the corporate governance report (“**Report**”) sets out the Company’s key corporate governance practices for the financial year ended 31 December 2022 (“**FY2022**”) with reference to the Code of Corporate Governance 2018 (“**Code**”). The Company has complied, in all material respects, with the principles and provisions of the Code. In so far as any provision has not been complied with, the reason has been provided.

A summary of the Company’s compliance with the express disclosure requirements of the Code is provided on pages 105 to 107.

CORPORATE GOVERNANCE FRAMEWORK



BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 : The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Company is headed by an effective Board which oversees the strategic direction, performance and affairs of the Group and provides overall guidance to Management.

The duties and responsibilities of the Board include:

- (a) approving the strategic direction of the Group and monitoring its progress;
- (b) approving the financial plan (including annual budgets) and monitoring the financial performance of the Group;
- (c) reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework in relation to financial, operational, compliance and information technology ("IT") controls, and safeguarding shareholders' interests and the Group's assets;
- (d) deliberating on and accepting recommendations by the Audit and Risk Committee ("ARC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC"); and
- (e) considering sustainability issues such as environmental and social factors as part of the Group's strategic formulation.

Matters requiring the Board's decision and approval include:

- (a) interim financial results announcements and annual audited financial statements;
- (b) appointment of directors and key management personnel, including review of their performance and remuneration packages;
- (c) corporate or financial restructuring, major acquisitions and divestments;
- (d) share issuances and funding proposals;
- (e) interested person transactions ("IPTs"); and
- (f) declarations of interim dividends, proposals of final dividends and other returns to shareholders.

The Board also sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. The Company has in place an internal code of business conduct and ethics ("**Code of Business Conduct and Ethics**") to provide guidance to all officers and employees of the Group in resolving ethical questions that may arise in the course of their work for the Group. Please refer to the section titled "Code of Business Conduct and Ethics, Anti-Corruption Policy & Guidelines and Fraud Policy & Guidelines" on pages 102 to 103 for further information.

CORPORATE GOVERNANCE

Board Meetings

The Board holds at least four scheduled meetings each year and may also hold ad hoc meetings as and when warranted by circumstances. The quarterly meetings will typically be scheduled before the start of the financial year to enable the Directors to plan ahead to attend them and to coincide with the half year and year-end financial results reporting as well as the voluntary business updates for the first and third quarters in order to facilitate a review of the financial statements and announcement of the unaudited semi-annual financial results/voluntary business updates.

During every quarterly meeting:

- (a) the chairperson of each Board committee provides an update on significant matters discussed at the Board committee meetings which are typically scheduled before the quarterly Board meeting;
- (b) the Group Chief Financial Officer ("**Group CFO**") presents the financial performance for that quarter and significant financial highlights; and
- (c) the Group Chief Executive Officer ("**Group CEO**") gives an update on the Group's business and operations and/or a macro perspective on the relevant markets and developments.

In addition, senior executives may give presentations in relation to specific business areas. External professionals or in-house subject matter experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, tax, accounting and other regulations, which may have an impact on the Group's affairs. This allows the Board to develop a better understanding of the progress of the Group's business as well as the issues and challenges facing the Group and promotes active engagement with Management.

Where exigencies prevent a Director from attending a Board meeting in person, the Company's Articles of Association permit the Director to participate via teleconferencing or video conferencing. The Board and Board committees may also make decisions by way of resolutions in writing. Except where a Director is required to abstain from participating in the deliberation on a transaction or proposed transaction due to a potential conflict of interest situation, in each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations, and resolutions in writing are circulated to all Directors for their consideration and approval. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process.

Management may communicate with the Directors through email or telephone to brief or update the Directors on prospective transactions and potential developments. Management may also seek in-principle approval for such transactions from the Directors through email or telephone. Such approvals given by the Directors through email or telephone will, as appropriate, be noted and recorded in the minutes of meeting held subsequently by the Board.

There were four Board meetings held in FY2022. The attendance of the Directors at meetings of the Board and Board committees, and the frequency of such meetings, are set out below:

Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2022

	Board	ARC	RC	NC	AGM
Number of Meetings Held	4	4	1	1	1
Board Members					
Mr Ho Han Leong Calvin	3	–	–	–	1
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	4	4	1	–	1
Mr Kingston Kwek Eik Huih	4	–	–	–	1
Mr Neo Teck Pheng	4	4 ¹	1 ²	1	1
Ms Ting Ping Ee Joan Maria	4	4	1	1	1
Mr Yee Chia Hsing	4	4	–	1	1
Mr Wee Guan Oei Desmond	4	–	1	–	1
Ms Tan Yee Peng ³	–	–	–	–	–

Notes:

1. Mr Neo Teck Pheng is not a member of the ARC but was present at the ARC meetings in his capacity as Group CEO.
2. Mr Neo Teck Pheng is not a member of the RC but was invited by the RC to attend the RC meeting to give his views on the performance of certain key management personnel. For the avoidance of doubt, he was neither involved in any deliberation nor decision on his own remuneration.
3. Ms Tan Yee Peng was appointed as an Independent Director and the ARC Chairperson with effect from 15 March 2023, and her attendance at the Board and ARC meetings excludes meetings held before her appointment.

Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Group CEO and/or the Group CFO.

Off-Site Visits

The Company organises overseas trips by the Directors to countries where the real estate projects of the Group, its associated companies and joint venture companies are located. On such occasions, the Board will meet with the Group's key management personnel in those countries and conduct site visits. This will allow the Board to have a good understanding of the Group's businesses and progress of the projects as well as promote active engagement with key management personnel in those countries. The Directors made trips to the People's Republic of China ("**PRC**") in FY2017, FY2018 and FY2019 and to the Netherlands in FY2017. A trip by the Directors to the Netherlands and Germany which was planned to take place in FY2020 was cancelled due to the Coronavirus Disease 2019 ("**Covid-19**") pandemic. In view of the Covid-19 situation and the travel restrictions, no trips were arranged in FY2021 and FY2022. Arrangements have been made for a trip by the Directors to the Netherlands and Germany in April 2023.

Director Development

All newly appointed Directors are provided with information about the Group's history and core values, principal businesses and strategic direction as well as industry specific knowledge. Meetings are also arranged with Management to allow the new Directors to be acquainted with Management and to facilitate their independent access to Management in the future. In line with best practices in corporate governance, new Directors are required to sign a letter of appointment from the Company stating clearly the roles of the Board and Non-Executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters. The terms of reference of all Board committees are also provided to each newly appointed Director.

CORPORATE GOVERNANCE

Unless the NC assesses that training is not required for a newly appointed Director because he or she has other relevant experience (which basis of assessment will be disclosed in accordance with the Listing Manual), newly appointed Directors with no prior experience as a director of a listed company are required to attend the Listed Entity Director (“LED”) Programme conducted by the Singapore Institute of Directors in order to acquire relevant knowledge of what is expected of a listed company director, and the additional module(s) relevant to their appointment to any of the Board committees. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide first time Directors with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Listing Manual and the Code. Further, newly appointed Directors with no expertise in sustainability matters are required to attend the training on sustainability matters as prescribed by SGX.

As a newly appointed Director, Ms Tan Yee Peng was provided with briefings from Management on the Group’s objectives, strategic plans, businesses, operations and processes. Ms Tan Yee Peng will also attend the trip by the Directors to the Netherlands and Germany in April 2023 to gain a better understanding of the Group’s businesses and progress of the projects and to engage with key management personnel in Europe. Ms Tan Yee Peng has prior listed company directorship experience and is therefore not required to undergo the LED Programme.

In compliance with Rule 720(7) of the Listing Manual, all the Directors have undergone training on sustainability matters conducted by the Singapore Institute of Directors as prescribed by SGX in FY2022.

All Directors are provided with relevant information on the Company’s policies, procedures and practices relating to governance issues, including disclosure of interests in securities, restrictions on disclosure of price-sensitive and trade-sensitive information and disclosure of interests relating to the Group’s businesses. They are also informed about matters such as the code of dealings in the Company’s securities as they are privy to price-sensitive and trade-sensitive information.

The Directors are given updates and/or briefings relating to any matters that fall within the responsibility of the Board or key developments in the Group’s industry or operations including changes in regulatory requirements, corporate governance and accounting standards. Such updates are given at Board meetings and where necessary via presentations by the Company’s external professionals, auditors and Management. In FY2022, the Directors were briefed by Management on updates to the Listing Manual, workplace safety and health as well as sustainability matters.

The Directors are encouraged to undergo continual professional development (including attending external workshops, conferences, presentations and seminars conducted by regulatory bodies) during the term of their appointment. The Company funds the training of its Directors as appropriate. In FY2022, the Directors attended “LED - Environmental, Social and Governance Essentials (Core)” conducted by the Singapore Institute of Directors.

Access to Information

The Company recognises the importance of providing the Board with relevant, complete, adequate and timely information prior to Board meetings and on an ongoing basis, to enable the Directors to make informed decisions to discharge their duties and responsibilities. The Board is provided with reports on the Group’s operational and financial performance as well as budget variances, on a regular basis. Board papers are distributed in advance of Board meetings (as a general rule, at least one week in advance) so that the Directors have sufficient time to understand the matters to be discussed at the Board meetings. The Directors are entitled to request from Management and be provided with additional information as needed to make informed decisions. Management and senior executives attend Board meetings to answer any query from the Directors.

Where appropriate, ad hoc meetings are also held for Management to brief the Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought. As stated in the section titled “Board Meetings”, Management may communicate with the Directors through email or telephone to brief or keep the Directors updated on such deals and developments. The Directors may, at any time, request for further explanations, briefings, informal discussions or updates on any aspect of the Group’s operations or business issues from Management through email, telephone or face-to-face meetings.

The Directors have separate and independent access to Management and the company secretary at all times. The Directors also have direct access to the Company's professional advisors and have the discretion to engage their own professional advisers at the Company's expense.

In FY2022, the Board continued to monitor the impact of the Covid-19 pandemic and to work closely with Management in reviewing business opportunities and challenges posed by the pandemic.

Role of the Company Secretary

Under the direction of the Chairman, the company secretary ensures good information flow within the Board and Board committees and between Management and Non-Executive Directors. She advises the Board on all governance matters as well as facilitates the orientation of newly appointed Directors and assists with the professional development of all Directors. The company secretary plays a role in ensuring that Board procedures as well as relevant rules and regulations are complied with. In FY2022, the company secretary attended all Board and Board committee meetings.

The appointment and the removal of the company secretary are subject to the approval of the Board.

Delegation of Authority

To optimise operational efficiency, the Board has established financial authorisation and approval limits for capital expenditure, the procurement of goods and services, acquisitions and disposals, bank borrowings as well as debt and equity fund raising. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board committees and Management.

The Non-Executive Directors participate actively in the meetings of the Board. They are always available to provide guidance to Management on any business issues and in areas in which they specialise and to provide strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively develop proposals on strategy. They also review and monitor Management's performance. To facilitate this, they are kept informed of the Company's businesses and performances through regular reporting from Management, and have full access to Management. The Non-Executive Directors would also confer among themselves without the presence of Management as and when the need should arise. The chairperson of such meetings provides feedback to the Board and/or the Chairman as appropriate.

To achieve an appropriate balance between risks and business performance, the Board established, and delegated its authority to, a credit committee comprising the Chairman of the Board, the Group CEO and the Group CFO, to approve PRC property financing ("PRC PF") loans provided that the aggregate loan exposure to a single counterparty and its related parties shall not exceed RMB500 million, the loan tenure shall not exceed three years, the loan-to-value ratio is capped at 60%, and the Group does not have an equity interest in the relevant property or property development. Any PRC PF loans approved by the credit committee is submitted to the Board for review on a quarterly basis. The above parameters are reviewed by the Board on an annual basis.

Board Committees

To assist the Board in their duties and to ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board committees, which would submit their recommendations or decisions to the Board. The Board has established three Board committees, namely:

- (a) the ARC;
- (b) the RC; and
- (c) the NC.

Each Board committee operates under delegated authority from the Board with the Board retaining overall oversight and has its own written terms of reference. The Board regularly undertakes a review of its Board committees including their membership and terms of reference. All Board committees are chaired by an Independent Director.

CORPORATE GOVERNANCE

A record of each Director's attendance at Board committee meetings during FY2022 is set out in the section titled "Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2022" on page 68.

AUDIT AND RISK COMMITTEE

MEMBERSHIP

- Mr Yee Chia Hsing, ARC Chairman (succeeded by Ms Tan Yee Peng with effect from 15 March 2023) and Lead Independent Director
- Ms Ting Ping Ee Joan Maria, ARC Member and Independent Director
- Mr Ho Han Leong Calvin, ARC Member and Non-Executive Chairman of the Board
- Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)

KEY OBJECTIVE

- Assist the Board in discharging its responsibilities relating to financial and accounting matters, compliance, business and financial risk management and internal controls

The ARC comprises three Non-Executive Directors, two of whom, including the ARC Chairperson, are Independent Directors. The ARC Chairperson and at least one other member of the ARC, being the majority of the ARC, possess the relevant accounting or related financial management expertise or experience, while the remaining member of the ARC possesses business and financial background. With the current composition, the NC believes that the ARC has the relevant accounting and related financial management expertise and experience to discharge its functions within its written terms of reference.

None of the members of the ARC are former partners or directors of the Company's existing external or internal audit firms (a) within a period of two years commencing on the date of their ceasing to be a partner of the external or internal audit firm and in any case, (b) for so long as they have any financial interest in the external or internal audit firm.

The ARC has the authority to investigate any matter within its terms of reference. The ARC has full access to, and the cooperation of, Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARC also has full access to the external and internal auditors, and to facilitate a more effective check on Management, the ARC meets (a) with the external auditors and (b) with the internal auditors, in each case without the presence of Management at least annually (except for the FY2019 meeting between the ARC and the internal auditors which was re-scheduled to February 2020 due to the availability of the partner-in-charge). Similarly, both the external and internal auditors are given full access to the ARC.

Under its terms of reference, the ARC's scope of duties and responsibilities is as follows:

- reviewing the audit plan of the Company's external auditors, their evaluation of the system of internal accounting controls, their letter to Management, if any, and Management's response, and results of the Company's audit conducted by the internal and external auditors;
- reviewing the reports of the Company's external auditors including key audit matters ("**KAMs**"), as well as the adequacy, effectiveness, independence, objectivity, scope and results of the external audit;
- reporting to the Board on the ARC's assessment of the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors;
- reviewing the co-operation given by the Company's officers to the external auditors;
- reviewing and discussing with the external auditors, where applicable, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material adverse impact on the Group's operating results or financial position, and Management's response;

- (f) making recommendations to the Board on proposals to shareholders, on the appointment, re-appointment and removal of external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (g) ensuring co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors, and discussing problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of Management, where necessary);
- (h) approving the Company's internal audit plans;
- (i) monitoring the implementation of internal controls over outstanding internal control weaknesses highlighted by the auditors;
- (j) deciding on the appointment, termination and remuneration of the internal auditors;
- (k) reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function, reporting to the Board on the ARC's assessment of the adequacy, effectiveness and independence of the internal audit function and commenting on whether the internal audit function is independent, effective and adequately resourced;
- (l) reviewing the interim and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (m) reviewing significant financial reporting issues so as to ensure integrity of the financial statements of the Company and any announcements relating to the Company's financial performance and reporting to the Board on such issues (including how these issues were addressed);
- (n) reviewing the material internal control procedures addressing financial, operational, compliance and IT risks;
- (o) commissioning an independent audit on internal controls and risk management systems if it deems necessary for its assurance, or where it is not satisfied with the systems of internal controls and risk management;
- (p) reviewing IPTs falling within the scope of Chapter 9 of the Listing Manual above certain thresholds;
- (q) reviewing the grant of any entrusted loans to interested persons prior to such loans being entered into, to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include, but are not limited to, the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and shareholders;
- (r) reviewing potential conflicts of interest, if any;
- (s) reviewing and considering transactions in which there may be potential conflicts of interests between the Company and interested persons and recommending whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or from voting on resolutions of the Board or shareholders in relation to such transactions as well as ensuring that proper measures to mitigate such potential conflicts of interest have been put in place;
- (t) monitoring investments in the Group's customers, suppliers and competitors made by the Directors, controlling shareholders and their respective associates who are involved in the management of the Company or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests and ensuring that proper measures to mitigate such conflicts of interests have been put in place;

CORPORATE GOVERNANCE

- (u) reviewing and assessing from time to time the prevailing processes put in place to manage any material conflicts of interest in relation to the controlling shareholders as described in the section titled "Interested Person Transactions and Conflicts of Interest – Conflicts of Interest – Conflict of Interests in relation to First Sponsor Capital Limited and First Sponsor Management Limited" in the prospectus registered by the Monetary Authority of Singapore on 10 July 2014 in relation to the Company's initial public offering and listing of its shares on the Main Board of SGX on 22 July 2014 and considering, where appropriate, additional measures for the management of such conflicts;
- (v) reviewing the Group's key financial risk areas with a view to providing an independent oversight of the Group's financial reporting;
- (w) reviewing and recommending hedging policies and instruments, if any, to be implemented by the Company to the Directors;
- (x) reviewing the suitability of the Group CFO;
- (y) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the ARC;
- (z) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up and reporting to the Board any significant issues raised through such channels;
- (aa) generally undertaking such other functions and duties as may be required by statute or the Listing Manual or by such amendments as may be made thereto from time to time; and
- (bb) apart from the abovementioned duties, commissioning and reviewing the findings of internal investigations in the event of any suspected fraud, irregularity, failure of internal controls or infringement of any applicable law, rule or regulation which has or is likely to have a material adverse impact on the Group's operating results and/or financial position.

The ARC will bring to the Board's attention immediately, any significant issues (such as significant adjustments) raised by the external auditors in their review or audit of the Company's year-end financial statements which have a material impact on the interim financial statements or financial updates previously announced by the Company. The Board will then consider whether an immediate announcement is required under the Listing Manual. The ARC will also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates. Such changes, if any, will be disclosed in the Annual Report.

The ARC held four ARC meetings in FY2022. Management, including the Group CEO and Group CFO, was present at the meetings. In addition, the ARC met with the external auditors and the internal auditors, without the presence of Management in FY2022.

In FY2022, the ARC reviewed the quarterly financial statements, the financial results announcements for the half year and full year as well as the accompanying press releases and presentation packs highlighting key developments of the Group, and the voluntary business updates for the first and third quarters prior to approving or recommending to the Board their release, the auditors' evaluation of the system of internal accounting controls, the adequacy and effectiveness of the Company's internal controls, the annual audit plans of the external and internal auditors and the results of the audits performed by them, as well as IPTs. It also reviewed the scope, results and effectiveness of the internal audit and external audit functions, the independence and objectivity of the external auditors and the non-audit services rendered by the external auditors.

The ARC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. The following KAMs were discussed with Management and the external auditors:

KAMs	How the ARC reviewed these matters and what decisions were made
Valuation of investment properties	<p>The ARC reviewed the outcome of the annual valuation process and discussed the details of the valuation, including the valuers' assessment of the appropriateness of valuation methodologies as well as the reasonableness of the estimates and underlying key assumptions applied in the valuation of the investment properties, taking into account the changes in market and economic conditions brought on by inflationary pressures, rising interest rate and geopolitical tension, with Management and the external auditors.</p> <p>The ARC considered the findings of the external auditors including their assessment of the appropriateness of the valuation methodologies as well as the reasonableness of the estimates and underlying key assumptions applied in the valuation of investment properties.</p> <p>The ARC is satisfied with the valuation methodologies as well as estimates and key assumptions applied in assessing the fair values of the Group's investment properties.</p>
Impairment assessment of goodwill and property, plant and equipment	<p>The ARC reviewed the approach and methodology used by Management in determining the recoverable amount of goodwill and property, plant and equipment.</p> <p>The ARC considered the findings of the external auditors including their assessment as to the reasonableness of the key assumptions applied in the impairment assessment, taking into account inflationary pressures, rising interest rate and geopolitical tension, and the appropriateness and reasonableness of the valuation methodologies and key assumptions used including the reasonableness of the discount and terminal growth rates adopted.</p> <p>The ARC is satisfied with the approach and methodology used in determining the recoverable amount of goodwill and property, plant and equipment.</p>
Purchase price allocation for the acquisition of subsidiaries	<p>The ARC reviewed the approach and methodology applied in the valuation of Dutch-incorporated Queens Bilderberg (Nederland) B.V. ("QBN") and its subsidiaries, which were acquired by the Group from FSMC NL Property Group B.V., a Dutch-incorporated 33%-owned associated company of the Group.</p> <p>The ARC considered the findings of the external auditors including their assessment as to the reasonableness of the fair value measurement of the acquired assets and liabilities and their evaluation of the identification of any intangible assets.</p> <p>The ARC is satisfied with the approach and methodology applied in the valuation of QBN and its subsidiaries.</p>

CORPORATE GOVERNANCE

The ARC concluded that the Group's accounting treatment and estimates in the KAMs were appropriate. All the KAMs that were raised by the external auditors for FY2022 have been addressed by the ARC and covered in the above commentary. Details on the KAMs can be found in the auditors' report for FY2022 on pages 116 to 118 of this Annual Report.

REMUNERATION COMMITTEE

MEMBERSHIP

- Mr Wee Guan Oei Desmond, RC Chairman and Independent Director
- Ms Ting Ping Ee Joan Maria, RC Member and Independent Director
- Mr Ho Han Leong Calvin, RC Member and Non-Executive Chairman of the Board
- Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)

KEY OBJECTIVES

- Oversee the remuneration of the Board and Management
- Set appropriate remuneration framework and policies to deliver annual and long-term performance of the Group

The RC comprises three Non-Executive Directors, two of whom, including the RC Chairman, are Independent Directors.

Under its terms of reference, the RC's scope of duties and responsibilities is as follows:

- (a) recommending to the Board a framework of remuneration for the Directors and key management personnel of the Group, including the Group CEO, Group CFO and CEOs of the respective regions;
- (b) determining specific remuneration packages for Executive Directors, including the Group CEO;
- (c) reviewing all aspects of remuneration of employees (including, among others, employees who are related to the Directors and relatives of the Directors and controlling shareholders, if any), including directors' fees, salaries, allowances, bonuses and other benefits-in-kind;
- (d) reviewing and ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution by them, taking into account factors such as effort and time spent, and responsibilities of the Directors;
- (e) recommending employee share option schemes or any long-term incentive scheme which may be set up from time to time and doing all acts necessary in connection therewith; and
- (f) reviewing the Company's obligations arising in the event of termination of any Executive Director's and key executive's contract of services to ensure that such contracts of services contain fair and reasonable clauses which are not overly generous.

In FY2022, the RC met once and discussed various remuneration matters such as Directors' fees as well as the remuneration package of the Group CEO and key management personnel. No member of the RC was involved in the fixing of his or her own remuneration.

NOMINATING COMMITTEE

MEMBERSHIP

- Ms Ting Ping Ee Joan Maria, NC Chairperson and Independent Director
- Mr Yee Chia Hsing, NC Member and Lead Independent Director
- Mr Neo Teck Pheng, NC Member, Group CEO and Executive Director

KEY OBJECTIVES

- Establish and review the profile of Board members
- Make recommendations to the Board on the appointment and re-nomination of Directors
- Review the independence of Directors
- Assist the Board in evaluating the performance of the Board, Board committees and Directors

The NC comprises three members. Two members are Independent Directors, one of whom is the Lead Independent Director.

Under its terms of reference, the NC's scope of duties and responsibilities is as follows:

- (a) reviewing and assessing the appointment of any proposed new Directors (including alternate Directors if applicable) before recommending the proposed new Directors for approval by the Board;
- (b) reviewing and recommending to the Board the re-election and re-appointment of any Directors (including alternate Directors if applicable) who are retiring by rotation or appointed during the year at the next AGM;
- (c) reviewing the effectiveness of the Board annually;
- (d) reviewing annually whether the size and composition of the Board are appropriate to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities;
- (e) reviewing and determining annually, and as and when circumstances require, if a Director is independent;
- (f) reviewing and determining whether a Director is able to and has been adequately carrying out his or her duties as Director where a Director has multiple board representations or other principal commitments;
- (g) reviewing succession plans for the Directors and Management and recommending to the Board for approval;
- (h) reviewing and recommending to the Board the employment of related persons and their proposed terms of employment;
- (i) assessing whether any individual member of the Board dominates the Board's decision-making process; and
- (j) reviewing training and professional development programs for the Board.

The NC oversees leadership and succession planning for key management personnel. This includes overseeing the process that supports the Board in making a decision regarding the appointment of key management personnel. While the Group CEO takes charge of succession planning for key management personnel, the NC reviews the plans that the Group CEO has made and presents its recommendations to the Board. The NC also reviews the mechanism for identifying strong candidates and developing them to take on senior positions in the future, as well as how key talent is managed within the Group. Potential candidates for leadership succession are reviewed for their readiness in the immediate, medium and long term.

CORPORATE GOVERNANCE

The NC met once in FY2022 to discuss various matters, including the re-election of Mr Kingston Kwek Eik Huih as Director at the 2022 AGM.

In FY2022, the NC reviewed the Board Diversity Policy and recommended changes to the Board Diversity Policy to the Board. In addition, the NC undertook a search for potential candidates who could be appointed as Directors. Please refer to the sections titled "Board Diversity" on pages 79 to 81 and "Selection of New Directors" on pages 82 to 83 for further information.

Board Composition and Guidance

Principle 2 : The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition

As at 31 December 2022, the Board consisted of six Directors of whom five are Non-Executive Directors comprising three Independent Directors and two non-Independent Directors. With the appointment of Ms Tan Yee Peng, the Board consists of seven Directors of whom six are Non-Executive Directors comprising four Independent Directors and two non-Independent Directors as at the date of this Annual Report. The Executive Director is the Group CEO.

Independence

As at 31 December 2022, the Independent Directors constituted half of the Board. With the appointment of Ms Tan Yee Peng, the Independent Directors constitute more than half of the Board as at the date of this Annual Report. Hence, the composition of the Board currently aligns with the recommendation under Provision 2.2 of the Code which provides that Independent Directors should make up a majority of the Board where the Chairman is not independent.

Other than the Group CEO, none of the Directors is a former or current employee of the Company or its subsidiaries.

Currently, matters requiring the Board's approval are discussed and deliberated with the participation of each Director (save for any Director who has a conflict of interest), and decisions are made collectively without any individual influencing or dominating the decision-making process. The NC and the Board are therefore of the view that the current composition of the Board is sufficient for the Board to exercise objective and balanced judgement. As the Chairman is not independent, the Company appointed a Lead Independent Director. A summary of the role of the Lead Independent Director is set out in the section titled "Role of the Lead Independent Director" on page 82.

The Board, taking into account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the Code. In accordance with the Code, a Director is considered independent if he or she is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The Board also takes into account the existence of relationships or circumstances, including those identified by the Listing Manual and related Practice Guidance to the Code ("Practice Guidance") that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include relationships (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, substantial shareholders or officers, the employment of a Director or his/her immediate family member by the Company or any of its related corporations for the current or any of the past three financial years, a Director or his/her immediate family member providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the current or previous financial year, other than compensation for Board service, and a Director or his/her immediate family member being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the current or previous financial year.

The NC and the Board assessed the independence of each Director in FY2022. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the Code, the Listing Manual and (where relevant) the Practice Guidance, the Board has determined that Ms Ting Ping Ee Joan Maria, Mr Yee Chia Hsing, Mr Wee Guan Oei Desmond and Ms Tan Yee Peng are independent.

Ms Tan Yee Peng declared that, for the period from 7 May 2014 to 31 December 2020, she was an independent director of City Developments Limited (“**CDL**”) which is a controlling shareholder of the Company. Prior to her resignation from the board of CDL, she was also the chairperson of the board sustainability committee and a member of the board committee, audit and risk committee and nominating committee of CDL. It was noted that Ms Tan Yee Peng’s role in CDL was non-executive in nature and she was not involved in the day-to-day conduct of the business of CDL. In addition, it has been more than two years since Ms Tan Yee Peng’s resignation from the board of CDL. Ms Tan Yee Peng previously served as an audit partner with KPMG LLP from 2003 to 2010. During her time as an audit partner with KPMG LLP, she was assigned to audit Gaeronic Pte Ltd and its subsidiaries (“**GPL Group**”). In April 2008, the Company acquired the entire issued share capital of GPL and the GPL Group became part of the Group. It was noted that Ms Tan Yee Peng was already the audit engagement partner of the GPL Group prior to the Company’s acquisition, her audit engagement with the Group was solely in respect of the GPL Group and was for less than two years, having ended in October 2009 when the audit engagement partner assigned to audit the Group took over the audit of the GPL Group, and it has been more than 13 years since the end of her audit engagement with the Group. From 2005 to 2009, Ms Tan Yee Peng served as the audit engagement partner of Tai Tak Estates Sendirian Berhad (“**Tai Tak**”), which is a controlling shareholder of the Company, and its subsidiaries. It was noted that it has been more than 13 years since the end of her audit engagement with Tai Tak. Apart from the relationships stated above, Ms Tan Yee Peng does not have any other relationships and is not faced with any of the circumstances identified in the Code, the Listing Manual and the Practice Guidance that may affect her independent judgment. The NC and the Board have determined that Ms Tan Yee Peng is independent.

The remaining Directors are considered non-independent for the following reasons:

- (a) Mr Ho Han Leong Calvin and his alternate, Mr Ho Han Khoon Alvin, are controlling shareholders of the Company;
- (b) Mr Kingston Kwek Eik Huih is the son of Mr Kwek Leng Beng, the Executive Chairman of CDL; and
- (c) Mr Neo Teck Pheng is the Group CEO, the Executive Director and a controlling shareholder of the Company.

Each member of the NC and the Board recused himself or herself from the NC’s and the Board’s deliberations respectively on his or her own independence.

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). As at the date of this Annual Report, none of the Independent Directors has served on the Board for more than nine years. Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing would have served the nine years tenure as Independent Directors on 19 May 2023. Pursuant to Transitional Practice Note 4 Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing may continue to be considered independent until the conclusion of the 2024 AGM. They are likely to step down as Directors at the conclusion of the 2024 AGM.

Conflicts of Interest

Directors as fiduciaries are collectively and individually obliged to act honestly and with due diligence, and in the best interests of the Company. Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, will declare the nature of their interests, and also abstain from participating in the deliberation of the Board and/or the Board committees on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the committees.

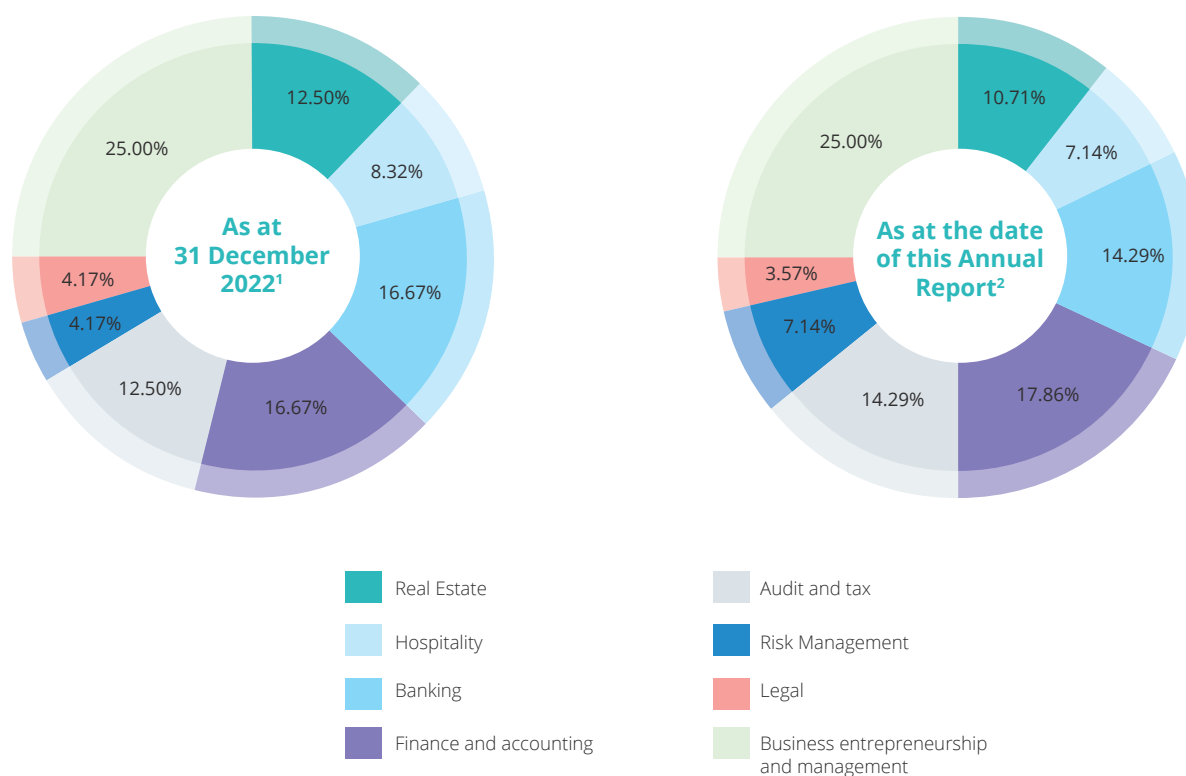
CORPORATE GOVERNANCE

Board Diversity

The Company recognises the benefits of diversity in terms of skills, knowledge and experience, as well as broader aspects of diversity such as gender and age, and believe that an appropriate balance of diversity will raise the level of Board discussions, enhance the decision-making process and better support the Group in achieving its strategic objectives.

The Board currently comprises business leaders and professionals with real estate, hospitality, banking, financial (including audit and accounting), legal, risk management and business management backgrounds. The Board includes Directors of both genders, varying age profiles ranging from 40s to 70s and varying tenure profiles ranging from less than 1 year to more than 15 years. The profiles and qualifications of the Directors are set out in the section titled "Board of Directors" on pages 23 to 24 and directorships held by the Directors as at the date of this Annual Report and over the preceding three years are set out in the section titled "Directors' Time Commitment" on pages 84 to 88.

The following Directors' Expertise and Experience Matrix shows a breakdown of the diverse expertise and experience of the Directors as at 31 December 2022 and as at the date of this Annual Report.

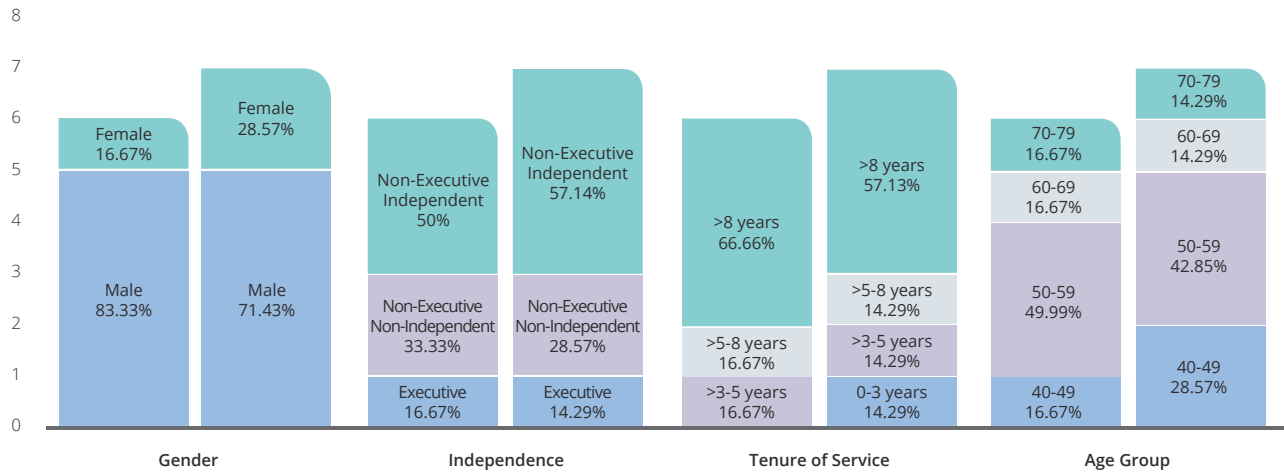


Notes:

1. Percentages as at 31 December 2022 are based on 6 Board members (excluding alternate Director).
2. Percentages as at the date of this Annual Report are based on 7 Board members (excluding alternate Director).

As at 31 December 2022, the Board comprised three Independent Directors and three non-Independent Directors, and included one female Director. Ms Tan Yee Peng was appointed as an Independent Director with effect from 15 March 2023. With the appointment of Ms Tan Yee Peng, the Board's diversity in terms of independence, gender, age and tenure was enhanced as the proportion of Independent Directors increased from half to more than half of the Board and the proportion of female Directors increased from 16.67% to 28.57%. In addition, the Board now comprises a higher proportion of Directors who are younger and have served a shorter tenure in office. The following chart shows the diversity profile of the Board as at 31 December 2022 and as at the date of this Annual Report.

DIVERSITY PROFILE



Notes:

1. The left column of each diversity aspect shows the position as at 31 December 2022 which is based on 6 Board members (excluding alternate Director).
2. The right column of each diversity aspect shows the position as at the date of this Annual Report which is based on 7 Board members (excluding alternate Director).

The Board has adopted a formal Board Diversity Policy, setting out its policy for promoting diversity on the Board. The Board Diversity Policy is available on the Company's corporate website at www.1st-sponsor.com.sg. The Board Diversity Policy provides, among other things, that:

- (a) The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, tenure of service and other distinguishing qualities of the Directors.
- (b) In particular, the Company values diversity of the Board in aspects such as skillset and experiences, business background and industry knowledge, international experiences, age, gender, tenure and independence.
- (c) The NC will assist the Board to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition. Taking into consideration the scope and nature of the operations of the Group, the requirements of the business, the need for succession and progressive refreshing of the Board and the need to avoid undue disruptions from unnecessary changes to the composition of the Board and Board committees, the NC will consider the above criteria (as applicable and practicable) when reviewing and assessing the size and composition of the Board, determining the independence of Directors, evaluating performance of the Board as a whole, that of each Board committee as well as that of each Director, and making recommendations to the Board on the selection, appointment and re-appointment of Directors, as appropriate.
- (d) In the process of sourcing for qualified candidates to serve on the Board, the NC will strive for the inclusion of diverse groups and viewpoints. As gender is an important aspect of diversity, the NC will strive to ensure that:
 - (i) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates;
 - (ii) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be fielded for consideration;

CORPORATE GOVERNANCE

- (iii) female representation on the Board be continually improved over time based on the set targets of the Board; and
- (iv) at least one female Director be appointed to the NC.
- (e) The final decision on the selection of Directors will be based on merit against an objective criteria that complements and expands the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board.
- (f) The NC will annually discuss and agree on the relevant measurable targets and timelines for promoting and achieving diversity on the Board and make its recommendations with accompanying plans and timelines for approval by the Board. The targets may involve at any given time, one or more aspects of Board diversity with different timelines for achievement.
- (g) The NC will assist the Board to ensure that the Board Diversity Policy is implemented in an effective and practical manner and will report to the Board annually on the progress made towards achieving the targets set for promoting diversity.

The NC and the Board are of the view that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, knowledge and competencies as are appropriate for the Company's needs, taking into account the scope and nature of the operations of the Group and the requirements of the business. In arriving at this view, the NC and the Board have taken into account the appointment of Ms Tan Yee Peng as part of the Board renewal process. Ms Tan Yee Peng has significant professional accounting and auditing experience, having been an audit partner of KPMG LLP, and adds further diversity and depth to the Board in terms of skills and experience. Please refer to the section titled "Selection of New Directors" on page 82 for further information. At the same time, her appointment has resulted in a higher proportion of Directors who are younger and served a shorter tenure in office. The NC and Board further noted that female representation on the Board stands at 28.57%, which already exceeds the target of 25% of female representation by 2025 set by the Council for Board Diversity. Further, two-third of the ARC is currently represented by female Directors and each of the NC and the RC remains represented by one female Director. The Chairpersons of two out of the three Board committees, the ARC and the NC, are female.

The NC and the Board plan and will strive to maintain the Board composition of seven Directors of whom more than half will be Independent Directors and two will be female Directors. The Board will also continue to consider diversity in relation to any future changes to the composition of the Board, taking into account the Board Diversity Policy.

Chairman and Chief Executive Officer

Principle 3 : There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and the Group CEO

The roles and responsibilities of the Chairman and the Group CEO are held by separate individuals, in keeping with the principle that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decisions-making. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board while the Group CEO is responsible for implementing the Group's strategies and policies, and for management, operations and growth of the Group's businesses.

The separation of the roles of the Chairman and the Group CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, and facilitate robust deliberations on the Group's business activities and the exchange of ideas and views to help shape the strategic process.

The Non-Executive Chairman is Mr Ho Han Leong Calvin and the Group CEO is Mr Neo Teck Pheng. They do not share any family ties.

Role of Chairman

The Chairman provides leadership to the Board and facilitates the conditions for overall effectiveness of the Board, Board committees and individual Directors. He leads all the Board meetings and ensures that meetings are held on a timely basis to deliberate or approve matters which require the Board's attention. He is also responsible for promoting and maintaining high standards of corporate governance, ensures effective communication with shareholders and facilitates effective contribution from the Non-Executive Directors.

The Chairman provides clear oversight, advice and guidance to the Group CEO and Management on strategy and the growth of the Group's businesses. The Chairman also provides support and advice to, and acts as a sounding board for, the Group CEO, while respecting executive responsibility.

Role of the Lead Independent Director

As the Chairman is not an Independent Director, the Board appointed Mr Yee Chia Hsing as the Lead Independent Director. The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Board and the Company.

The role of the Lead Independent Director includes meeting with the Independent Directors at least annually. He provides feedback on the meeting(s) to the Board and/or the Chairman as appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the normal channels of communication with the Chairman, Group CEO or Group CFO are inappropriate or inadequate. No query or request on any matter which requires the Lead Independent Director's attention was received from shareholders in FY2022.

Board Membership

Principle 4 : The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment and re-nomination of Directors. Details on the composition and scope of duties and responsibilities of the NC are set out in the section titled "Nominating Committee" on pages 76 to 77.

The evaluation of the appointment and re-nomination of a Director takes into consideration, among others, the composition and progressive renewal of the Board, the factors described in the Board Diversity Policy and each Director's independent status, competencies, commitment, contribution and performance.

Selection of New Directors

The Company has in place a process for selecting and appointing new Directors. This process includes, among others, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board.

CORPORATE GOVERNANCE

The NC identifies the Company's needs and prepares a shortlist of candidates with the appropriate profile for nomination. The NC may have recourse to both internal sources (for example, recommendations by Directors and Management) as well as external sources (for example, search consultants) to draw up the shortlist. Short-listed candidates will be required to furnish their curriculum vitae stating in detail their qualification, working experience and employment history to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines. The NC will take an active role in screening and interviewing short-listed candidates before assessing the candidate's suitability and recommending him or her for nomination to the Board. To satisfy itself of the candidate's suitability to be appointed as a Director, the NC will perform a stringent due diligence on the candidate which extends to whether he or she has fully discharged his or her duties and obligations during his or her previous directorship of any listed company, has previously served on the board of any company with an adverse track record or a history of irregularities, has been under investigation by any professional association or regulatory authority, or has resigned from the board of any such company for any reason that may cast doubt on his or her ability to act as a Director.

Board renewal was a significant focus for the Board in FY2022. Ms Ting Ping Ee Joan Maria and Mr Yee Chia Hsing would have served the nine years tenure as Independent Directors on 19 May 2023 and are likely to step down as Directors at the conclusion of the 2024 AGM. In FY2022, the NC searched for potential candidates who could be appointed as Directors. The NC considered various candidates recommended by other Board members and their networking contacts. No search consultant was appointed. Diversity was one of the key considerations in the Board renewal process to ensure that the Board is appropriately balanced to support the long-term success of the Group. Other key considerations included (a) whether the skillsets of the candidates would replace the skillsets of the long-serving Directors, and/or would supplement the collective skillsets of the Directors and bring different perspectives to the Board; (b) the independence status of the candidate; and (c) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director.

Ms Tan Yee Peng was appointed as an Independent Director of the Company with effect from 15 March 2023 and succeeded Mr Yee Chia Hsing as the ARC Chairperson. The Board approved the appointment of Ms Tan Yee Peng, who has more than 20 years of accounting and auditing experience, and previously served as an audit partner with KPMG LLP from 2003 to 2010. As an audit and advisory partner, she was closely involved in providing accounting and advisory services to clients in both the private and public sectors. Ms Tan Yee Peng also acted as the reporting accountant and auditor for several companies listed on SGX. Ms Tan Yee Peng was previously the chairperson of the board sustainability committee of CDL and her experience in sustainability matters will bring fresh insights to such issues. The appointment of Ms Tan Yee Peng would also enhance the diversity of the Board in terms of independence, gender, age and tenure. Additional information on Ms Tan Yee Peng is set out in the section titled "Board of Directors" on page 24, directorships held by the Directors as at the date of this Annual Report and over the preceding three years on pages 87 to 88 and Appendix 7.4.1 of the Listing Manual on pages 222 to 228 of this Annual Report.

Re-nomination of Directors

The Articles of Association of the Company requires each Director to retire at least once every three years and subject himself or herself to re-election by shareholders. In addition, any Director appointed by the Board shall retire at the next AGM and shall then be eligible for re-election at that meeting.

The Group CEO, as an Executive Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. His role as Group CEO is separate from his position as a Board member, and does not affect the ability of shareholders to exercise their right to select all Board members.

With regard to the re-election of existing Directors each year, the NC advises the Board of those Directors who are retiring or due for consideration to retire in accordance with the Company's Articles of Association, and makes recommendations to the Board as to whether the Board should support the re-election of a Director who is retiring. In making its recommendations, the NC will undertake a review of the retiring Director's performance and contribution during the period in which he was a member of the Board. The NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contribution of a Director when making its recommendations to the Board. Each member of the NC will abstain from deliberations on his or her own re-election.

The Directors who are retiring by rotation pursuant to Article 86 of the Company's Articles of Association and standing for re-election at the 2023 AGM are Mr Ho Han Leong Calvin, Mr Neo Teck Pheng and Mr Wee Guan Oei Desmond. Under Article 85 of the Company's Articles of Association, Ms Tan Yee Peng is required to retire and stand for re-election at the 2023 AGM as this is the first AGM after her appointment. Mr Ho Han Leong Calvin will, upon re-election, continue to serve as the Non-Executive Chairman of the Board, a member of the ARC and a member of the RC. Mr Neo Teck Pheng will, upon re-election, continue to serve as a member of the NC. Mr Wee Guan Oei Desmond will, upon re-election, continue to serve as the RC Chairman. Ms Tan Yee Peng will, upon re-election, continue to serve as the ARC Chairperson. The Board has considered the NC's recommendation and assessment of each of the four Director's qualifications, experience, performance and contribution, as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that each of the four Directors will continue to contribute to the Board and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Group. At the recommendation of the NC and as approved by the Board, all four Directors will be standing for re-election at the 2023 AGM. Mr Neo Teck Pheng recused himself from the NC's deliberations on his own re-election and each of Mr Ho Han Leong Calvin, Mr Neo Teck Pheng and Mr Wee Guan Oei Desmond recused himself from the Board's deliberations on his own re-election. Ms Tan Yee Peng was not involved in the Board's deliberations on the re-elections as the Board meeting took place prior to her appointment. Additional information on Mr Ho Han Leong Calvin, Mr Neo Teck Pheng, Mr Wee Guan Oei Desmond and Ms Tan Yee Peng as prescribed in Appendix 7.4.1 of the Listing Manual may be found on pages 222 to 228 of this Annual Report.

Directors' Time Commitment

In view of the responsibilities of a Director, the Board is cognisant of the need for Directors to be able to devote sufficient time and attention to adequately perform their roles. However, the Board has not imposed any limit on the number of listed company directorships that an individual may hold as it is of the view that this should be considered on a case-by-case basis as a person's available time and attention may be affected by different factors, such as whether he or she is in full-time employment and the nature of his or her other responsibilities. The Company also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board. While having a limit on the number of listed company directorships may be considered by some other companies to be suitable for their circumstances, at present, the Company considers that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contribution and devotion of appropriate time and attention to the Company.

A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Company. The Directors are also required to consult the Chairman and the NC Chairperson before accepting new appointments as directors or full time executives. The Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence.

The NC conducts a review of the commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director. All Directors are required to confirm on an annual basis, and for FY2022, have confirmed that they were able to devote sufficient time and attention to their duties as Directors. For FY2022, having regard to each Director's attendance record for Board meetings and, where applicable, Board committee meetings, and his or her ability to contribute effectively thereat, the NC is of the view that each Director has devoted sufficient time and attention to the affairs of the Company and has been able to discharge his or her duties as a Director effectively.

CORPORATE GOVERNANCE

Although some Board members have multiple board representations, the Board experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance of the meeting dates. The NC is satisfied that in FY2022, where a Director had other listed company board representations and/or other principal commitments, the Director adequately carried out his or her duties as Director. In FY2022, other than Mr Yee Chia Hsing, none of the Directors had other listed company board representations. As at the date of this Annual Report, other than Mr Yee Chia Hsing and Ms Tan Yee Peng, none of the Directors has other listed company board representations.

The table below shows the directorships and principal commitments of each Director (including past directorships and principal commitments over the preceding three years):

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Ho Han Leong Calvin ¹ <ul style="list-style-type: none"> • Non-Executive Chairman • ARC Member • RC Member 	1 October 2007	20 May 2020	–	<ul style="list-style-type: none"> • Director of Tai Tak
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin) ²	19 May 2014	–	–	<ul style="list-style-type: none"> • Director of Tai Tak
Mr Kingston Kwek Eik Huih ³ <ul style="list-style-type: none"> • Non-Executive Director 	5 March 2019	26 April 2022	–	<ul style="list-style-type: none"> • Director of Beijing Fortune Hotel Co., Ltd. • Governor of Hong Leong Foundation • Alternate Director of Welland Investments Limited
Mr Neo Teck Pheng ¹ <ul style="list-style-type: none"> • Group CEO and Executive Director • NC Member 	1 October 2007	20 May 2020	–	–
Ms Ting Ping Ee Joan Maria <ul style="list-style-type: none"> • Independent Director • NC Chairperson • ARC Member • RC Member 	19 May 2014	23 April 2021	–	<ul style="list-style-type: none"> • Independent Director of Grand Union Holdings and Investments Pte. Ltd. (formerly known as Grand Union Holdings and Investments Incorporated)

CORPORATE GOVERNANCE

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Yee Chia Hsing <ul style="list-style-type: none"> • Lead Independent Director • Stepped down as ARC Chairman with effect from 15 March 2023 • NC Member 	19 May 2014	23 April 2021	<ul style="list-style-type: none"> • Director of Corporate Affairs and General Manager of the nutraceutical business of iX Biopharma Ltd, listed on SGX • Head of Catalyst, CIMB Bank Berhad, Singapore Branch • Elected Member of the Parliament of Singapore • Independent Director of Ezion Holdings Limited 	<ul style="list-style-type: none"> • Executive Director of Datapulse Technology Limited • Audit Committee Member of Ren Ci Hospital
Mr Wee Guan Oei Desmond ¹ <ul style="list-style-type: none"> • Independent Director • RC Chairman 	6 February 2017	20 May 2020	–	<ul style="list-style-type: none"> • Partner and Head, Corporate Commercial and Employment & Benefits Practice Groups of Rajah & Tann Singapore LLP • Non-Executive Chairman, Independent Director and Audit Committee Member of Popular Holdings Limited • Non-Executive Director of Spartans Rugby Singapore Limited

CORPORATE GOVERNANCE

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Ms Tan Yee Peng ⁴ <ul style="list-style-type: none"> Independent Director ARC Chairperson 	15 March 2023	–	<ul style="list-style-type: none"> Independent Director, Board Sustainability Committee Chairperson, Board Committee Member, Audit and Risk Committee Member and Nominating Committee Member of City Developments Limited Lead Independent Director, Audit and Risk Committee Chairperson, Nominating Committee Member and Remuneration Committee Member of Dutech Holdings Limited Honorary Treasurer of Viriya Community Services 	<ul style="list-style-type: none"> Council Member of Ministry of Health, Agency for Care Effectiveness Member of Vanguard Healthcare Medifund Committee Director of Vanguard Health Fund Limited Director of 1FSS Private Limited Director of Dutech Holdings Pte Ltd Chief Executive Officer and Executive Director of Hercules Pte Ltd Audit and Risk Committee Member of MOH Holdings Pte Ltd Director of Singapore Aerospace Manufacturing Pte Ltd Audit Committee Vice Chairperson of Ren Ci Hospital Director and Treasurer of TTSH Community Fund Director of Tri Star Security Pte Ltd Independent Director of TDCX Inc Independent Director, Audit and Risk Committee Chairperson, Nominating Committee Member and Remuneration Committee Member of Oiltek International Limited

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
				<ul style="list-style-type: none"> ● Director of Hupsteel Pte Ltd ● Director of Hup Seng Huat Land Pte Ltd ● Director of Hoe Seng Huat Pte Ltd ● Director of Sheares Healthcare International Holdings Pte Ltd ● Director of Sheares Healthcare China Holdings Pte Ltd ● Audit and Risk Committee Member of Resilience Collective, a mental health charity

Notes:

1. Mr Ho Han Leong Calvin, Mr Neo Teck Pheng and Mr Wee Guan Oei Desmond will retire and stand for re-election at the 2023 AGM. The NC has considered their contribution and performance and recommended to the Board their re-election at the 2023 AGM.
2. An alternate Director bears all the duties and responsibilities of a Director.
3. Mr Kingston Kwek Eik Huih is the son of Mr Kwek Leng Beng, the Executive Chairman of CDL.
4. Ms Tan Yee Peng who was appointed by the Board on 15 March 2023 will retire and stand for re-election at the 2023 AGM.

Succession Planning

The Board believes in carrying out succession planning for itself to ensure continuity of leadership. Board renewal is a continuing process and in this regard, the NC reviews annually the composition of the Board and Board committees and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to maintaining an optimal Board composition bearing in mind the Group's strategic priorities and the factors affecting the long-term success of the Group, and by considering the trends affecting the Group, reviewing the skills needed and identifying any gaps (which includes considering whether there is an appropriate level of diversity of thought). The NC would use these considerations in setting the appointment criteria for successors. The Board would be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

Please refer to the sections titled "Board Diversity" on pages 79 to 81 and "Selection of New Directors" on pages 82 to 83 for further information. With regard to succession planning for key management personnel, please refer to the section titled "Nominating Committee" on pages 76 to 77 for further information.

CORPORATE GOVERNANCE

Board Performance

Principle 5 : The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

While Board performance is ultimately reflected in the long-term performance of the Group, the Board believes that engaging in a regular process of assessment and evaluation of Board performance in order to identify key strengths and areas for improvement is essential to effective stewardship and to attaining success for the Company.

Board and Board Committee Evaluation Process

Each year, the NC undertakes a formal annual process to assess the effectiveness of the Board as a whole and the Board committees.

The NC uses objective and appropriate criteria to assess the performance of the Board and effectiveness of Board committees. Assessment parameters include evaluation of Board structure, conduct of meetings, corporate strategy, corporate planning, risk management, internal controls, measuring and monitoring performance, compensation, financial reporting and communication with shareholders.

As part of the process, each Director is required to complete an appraisal form with the above assessment parameters. The completed appraisal forms are collated by the company secretary who then presents the results to the NC Chairperson who in turn presents a report to the NC and the Board. The feedback, comments and recommendations by the Directors are reviewed and discussed constructively by the NC and the Board to identify areas for improvements and follow up action to be taken by the Board and Management.

The NC is satisfied that for FY2022, the Board and the Board committees were effective in the conduct of their respective duties. The results of the NC's assessment were communicated to and accepted by the Board. No external facilitator was used in FY2022.

Individual Director Evaluation Process

The Company has in place a formal process to evaluate the performance of individual Directors.

As part of the process, each Director (including the Chairman) is requested to complete a self-evaluation form. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, commitment and dedication. The completed self-evaluation forms are collated by the company secretary who then presents the results to the NC, which assesses the performance of the individual Directors, and will discuss with each individual Director if necessary. Each member of the NC will recuse himself or herself from the NC's deliberations on his or her own performance.

The performance of individual Directors is taken into account in their re-appointment or re-election. Specific needs which arise from time to time are taken into account in any appointment of new Directors.

The NC is satisfied that for FY2022, each Director contributed to the effectiveness of the Board and, if applicable, Board committee(s). The results of the NC's assessment were communicated to and accepted by the Board. No external facilitator was used in FY2022.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 : The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7 : The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8 : The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board established the RC to oversee the remuneration of the Board and Management. In carrying out this role, the RC also aims to set the appropriate remuneration framework and policies to deliver annual and long-term performance of the Group. Details on the composition and scope of duties and responsibilities of the RC are set out in the section titled “Remuneration Committee” on page 75.

The broad principles that guide the RC in its administration of fees, benefits, remuneration and incentives for the Board and Management are set out below.

Remuneration of Non-Executive Directors

The Group CEO is an Executive Director and is therefore remunerated as part of Management. He does not receive Directors’ fees.

The RC recommends the Non-Executive Directors’ fees for the Board’s endorsement and approval by shareholders. The Company seeks shareholders’ approval at the AGM so that Directors’ fees can be paid on a quarterly basis in arrears. No Director decides his or her own fees.

The remuneration packages of Non-Executive Directors comprise base Directors’ fees and additional fees for services rendered on the various Board committees (depending on whether he/she served in the capacity as the Chairperson or as a member of the relevant Board committee). Non-Executive Directors who cease to be a Director during any part of the financial year are paid pro-rated fees for the term of their office. No attendance fees for Board or Board committee meetings or travel allowance are payable to Non-Executive Directors. In reviewing the structure and level of such fees, the RC takes into consideration factors such as the roles and responsibilities of, effort and time spent by, the Directors, changes in the business, corporate governance practices and regulatory rules, and the interval since the last fee review. The RC also compares the Company’s fee framework against industry practices.

The Company established the First Sponsor Employee Share Option Scheme on 19 May 2014. However, no options were granted under the scheme as at the date of this Annual Report. Details of the First Sponsor Employee Share Option Scheme can be found in the Directors’ Statement on page 112 of this Annual Report. The First Sponsor Employee Share Option Scheme allows for participation by Non-Executive Directors. The Company believes that the scheme will help the Company to attract experienced and qualified persons from different professional backgrounds to join the Company as Non-Executive Directors and will better align the interests of such Non-Executive Directors with the interests of shareholders.

CORPORATE GOVERNANCE

FY2022

A review of the scale of fees under the framework for the Non-Executive Directors' fees for FY2022 was conducted. As a result of the review, the scale of fees was increased in FY2022 as set out below:

Base Directors' Fee	FY2021 scale of Directors' fees	FY2022 scale of Directors' fees
Board Chairman	S\$50,000 per annum ¹	S\$52,500 per annum ¹
Director	S\$50,000 per annum	S\$52,500 per annum
Fee for appointment to ARC		
Committee Chairman	S\$55,000 per annum	S\$60,500 per annum
Committee Member	S\$33,000 per annum	S\$36,500 per annum
Fee for appointment to RC		
Committee Chairman	S\$18,000 per annum	S\$19,000 per annum
Committee Member	S\$12,000 per annum	S\$13,000 per annum
Fee for appointment to NC		
Committee Chairperson	S\$18,000 per annum	S\$19,000 per annum
Committee Member	S\$12,000 per annum	S\$13,000 per annum

Note:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.

No remuneration consultant was appointed in FY2022.

The aggregate Directors' fees paid to Non-Executive Directors for FY2022 was S\$371,000, details of which are set out in the table below:

Name of Director	Directors' Fees (\$)
Mr Ho Han Leong Calvin ¹	–
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	–
Mr Kingston Kwek Eik Huih	52,500
Ms Ting Ping Ee Joan Maria ²	121,000
Mr Yee Chia Hsing ³	126,000
Mr Wee Guan Oei Desmond ⁴	71,500
Total	371,000

Notes:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.
2. In addition to the base Directors' fee, Ms Ting Ping Ee Joan Maria received additional fees as the NC Chairperson and a member of the ARC and the RC.
3. In addition to the base Directors' fee, Mr Yee Chia Hsing received additional fees as the ARC Chairman and a member of the NC.
4. In addition to the base Directors' fee, Mr Wee Guan Oei Desmond received an additional fee as the RC Chairman.

The increase of S\$23,000 in Directors' fees from S\$348,000 in FY2021 to S\$371,000 in FY2022 was due to the revision of the scale of fees under the framework for the Non-Executive Directors' fees in FY2022. The payment of the Directors' fees of S\$371,000 was approved by shareholders as a lump sum at the 2022 AGM.

None of the Directors received any fee or remuneration from the Company's subsidiaries.

FY2023

For FY2023, it is proposed that aggregate fees of S\$413,000 be paid to the Non-Executive Directors. The scale of fees under the framework for the Non-Executive Directors' fees for FY2023 is the same as that for FY2022. No remuneration consultant was appointed in FY2023. The increase of S\$42,000 in Directors' fees from S\$371,000 in FY2022 to S\$413,000 in FY2023 is due to pro-rated Directors' fees payable to an additional Independent Director, Ms Tan Yee Peng, who was appointed on 15 March 2023.

Details of the proposed Directors' fees to be paid to Non-Executive Directors for FY2023 are set out in the table below:

Name of Director	Directors' Fees (S\$)
Mr Ho Han Leong Calvin ¹	–
Mr Ho Han Khoon Alvin (Alternate Director to Mr Ho Han Leong Calvin)	–
Mr Kingston Kwek Eik Huih	52,500
Ms Ting Ping Ee Joan Maria ²	121,000
Mr Yee Chia Hsing ³	77,600
Mr Wee Guan Oei Desmond ⁴	71,500
Ms Tan Yee Peng ⁵	90,400
Total	413,000

Notes:

1. Mr Ho Han Leong Calvin and Mr Ho Han Khoon Alvin elected not to receive Directors' fees.
2. In addition to the base Directors' fee, Ms Ting Ping Ee Joan Maria will receive additional fees as the NC Chairperson and a member of the ARC and the RC.
3. In addition to the base Directors' fee, Mr Yee Chia Hsing will receive an additional pro-rated fee as the ARC Chairman for the period from 1 January 2023 to 14 March 2023 and an additional fee as a member of the NC.
4. In addition to the base Directors' fee, Mr Wee Guan Oei Desmond will receive an additional fee as the RC Chairman.
5. In addition to the pro-rated base Directors' fee, Ms Tan Yee Peng will receive an additional pro-rated fee as the ARC Chairperson for the period from 15 March 2023 to 31 December 2023.

The proposed Directors' fees of S\$413,000 are subject to shareholders' approval as a lump sum at the 2023 AGM.

No fee or remuneration is payable by the Company's subsidiaries to any of the Directors.

Remuneration of Management

In reviewing the remuneration packages of the Group CEO and key management personnel, the RC considers the level of remuneration based on the Company's remuneration policy which comprises the following distinct objectives:

- (a) to ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's needs;
- (b) to reward employees for achieving corporate performance targets in a fair and equitable way; and
- (c) to ensure that the remuneration reflects the employees' duties and responsibilities.

CORPORATE GOVERNANCE

Link to Corporate and Individual Performance

Remuneration for the Group CEO and key management personnel comprises fixed and variable components. The level and mix of the variable component are structured to ensure that the total remuneration for the Group CEO and key management personnel is strongly aligned to the financial performance and returns delivered to shareholders.

Fixed components comprise base salary and, where applicable, fixed allowances and other benefits-in-kind determined by the Company's human resource policies. The base salary is determined based on the responsibilities, experience and competencies that the individual brings to the role, individual performance and market competitiveness. This is approved by the Board based on the RC's recommendation and reviewed annually. Fixed allowances and other benefits-in-kind provided are in line with local market practices and legislative requirements, and are not directly linked to performance.

The variable component comprises the annual variable bonus. The annual variable bonus is intended to recognise the performance and contribution of the individual, while driving the achievement of key business results for the Company and enhancement of shareholder value.

For FY2022, the RC reviewed and is satisfied that adjustments made to the salaries as well as the variable bonuses granted to the Group CEO and key management personnel were reflective of their performance and the contribution made by them.

The RC recognises that long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. The RC will consider granting long-term incentives as a performance-related component to the Group CEO and key management personnel at the appropriate time. This may include the grant of employee share options under the First Sponsor Employee Share Option Scheme and awards under any proposed performance share plans that may be approved by shareholders in the future. The RC will also consider the implementation of contractual provisions to reclaim long-term incentives from the Group CEO and key management personnel in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company, only after the introduction of long-term incentives.

Remuneration of Group CEO

Details of the remuneration of the Group CEO and Executive Director for FY2022 are set out below:

Group CEO and Executive Director	Salary ¹ (S\$)	Variable Bonus ² (S\$)	Benefits ³ (S\$)	Total (S\$)
Mr Neo Teck Pheng	792,375	3,965,000	14,828	4,772,203
% of total remuneration	16.60%	83.09%	0.31%	

Notes:

1. Salary refers to base salary, allowances and employer's central provident fund contributions.
2. Variable bonus includes employer's central provident fund contributions.
3. Benefits refer to car benefits.

Mr Neo Teck Pheng did not receive any fee or remuneration from the Company's subsidiaries.

Remuneration of Other Key Management Personnel

The top six key management personnel (excluding the Group CEO) in FY2022 are:

- (a) Ms Lee Sau Hun, Group CFO;
- (b) Mr Shu Zhen, CEO (Guangdong Operations);
- (c) Mr Wang Gongyi, CEO (Chengdu Operations);
- (d) Ms Zhang Jing, CEO (Shanghai Operations);
- (e) Mr Alex Barentsen, CEO (European Hotel Operations and Finance)¹; and
- (f) Mr Frans van Toor, CEO (European Offices and Residential Operations)¹.

Note:

1. To facilitate business growth and explore new opportunities in Europe, the Group reorganised and strengthened its European operations. In line with the above, the European management team was expanded with the re-designation of Mr Alex Barentsen from CEO (European Operations) to CEO (European Hotel Operations and Finance) and the appointment of Mr Frans van Toor as CEO (European Offices and Residential Operations) with effect from 1 October 2022. The amount disclosed takes into account Mr Frans van Toor's remuneration for the period from 1 October 2022 to 31 December 2022.

The aggregate remuneration paid/payable in respect of FY2022 to the abovementioned top six key management personnel was S\$3.4 million.

As set out above, the Company has taken the further step to identify its key management personnel and provided disclosure of the aggregate remuneration paid to the abovementioned top six key management personnel for FY2022. The Company however maintains its view that it is not in its interest to disclose the remuneration of each of its key management personnel in bands no wider than S\$250,000 as recommended under Provision 8.1 of the Code. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues. There would be negative impact to the Group if members of the experienced and qualified senior management team are poached, which may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership needed for the achievement of the strategic objectives of the Group. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Group's key management personnel, and with the Company's disclosure on the aggregate remuneration of the identified top six key management personnel, shareholders are provided an insight into the level of remuneration paid to the identified top six key management personnel.

For FY2022, there were no termination, retirement or post-employment benefits granted to the Directors, the Group CEO and key management personnel.

Other than the Group CEO who is a controlling shareholder of the Company, there was no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2022.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 : The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board has overall responsibility for the governance of risk, including the determination of the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The ARC assists the Board in carrying out the Board's responsibility of overseeing the Group's risk management and internal controls. Having considered the Group's business and operations, as well as its existing risk management and internal controls systems, the Board is of the view that, currently, a separate Risk Committee is not required.

The Group has in place a risk management framework which identifies the key risks within the Group's business, along with mitigating measures. The categories of risks identified in the risk management framework include strategic, operational, financial and treasury, IT and compliance risks. The risk management framework is reviewed on an ongoing basis.

The identification and day-to-day management of risks rest with Management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business objectives within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. The systems of risk management and internal controls are reviewed by Management regularly in order to ensure that sufficient checks and balances exist within the system to safeguard the Company's assets, ensure maintenance of proper accounting records and compliance with relevant legislation and best practices. The Board reviews and approves the processes for managing risks recommended by Management.

The risk management and internal controls systems are reviewed at least annually by Management, the ARC and the Board. The Group's external auditors highlight any material internal control weaknesses that come to their attention in the course of their audit. The Group's internal auditors, PricewaterhouseCoopers LLP ("**PwC**"), reviews the Group's internal controls and reports directly to the ARC Chairperson. Please refer to the section titled "Internal Audit" on page 97 for further information on the internal audit function carried out by PwC. All audit findings and recommendations made by the external auditors and PwC are reported to and discussed with the ARC during its meetings. This gives the ARC the opportunity to comment on the effectiveness and adequacy of internal controls and to submit its findings to the Board so as to reassure the Board that sufficient checks have been put in place and enable the Board to comment on the adequacy and effectiveness of the internal controls.

In FY2022, the Group's risk management framework was revised to include enhanced mitigating measures and Management actions to address, among other things, (a) the risk of rising property development costs due to factors such as project complexity, market conditions and shortage of available main contractors; (b) the risk of weak demand for residential apartments due to factors such as the Covid-19 pandemic, consequential lock-downs, rising interest rates and uncertain economic outlook; (c) the risk of currency exchange fluctuation in RMB, Euro and A\$; and (d) interest rate risks.

Assurance from Key Management Personnel

The Board received assurance from the Group CEO and the Group CFO that:

- (a) the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Company's operations and finances; and
- (b) the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) in the context of the current scope of the Group's business operations as at 31 December 2022.

Based on its assessment of the work performed by PwC and the external auditors as well as the assurance from the Group CEO and Group CFO, the Board, with the concurrence of ARC, is of the opinion that the systems of risk management and internal controls within the Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Group considers to be relevant and material in the context of the current scope of the Group's business operations as at 31 December 2022. During FY2022, no material weakness was identified in the Group's risk management or internal controls systems.

While the Board notes that the systems of risk management and internal controls established by Management provide reasonable assurance that the Group, as it strives to achieve its business objective, will not be significantly affected by any event that can be reasonably foreseen or anticipated, the Board acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud or other irregularities. The Board, together with the ARC and Management, will continue to enhance and improve the existing risk management and internal controls frameworks to identify and mitigate these risks.

In FY2022, Management provided assurance to the Board on the integrity of the half year unaudited financial results and the Board in turn provided a negative assurance confirmation in respect of such results to shareholders as required by Rule 705(5) of the Listing Manual.

Audit Committee

Principle 10 : The Board has an audit committee which discharges its duties objectively.

Details on the composition and scope of duties and responsibilities of the ARC are set out in the section titled "Audit and Risk Committee" on pages 71 to 73.

External Auditors

The Board is responsible for the initial appointment of the external auditors. Shareholders then approve the appointment at the Company's AGM. The external auditors hold office until their removal or resignation. The ARC assesses the external auditors based on factors such as the performance and quality of their audit and the independence and objectivity of the external auditors, and recommends their appointment to the Board. Pursuant to the requirements of SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The Company has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

The ARC reviewed the non-audit services provided by the external auditors, Ernst & Young LLP ("EY") (including other member firms of EY International), during FY2022 and the fees paid for such services. The ARC is satisfied that the independence and objectivity of EY were not affected by the provision of those services. EY also provided confirmation of its independence to the ARC. The total fees paid/payable to EY (including other member firms of EY International) for FY2022 are disclosed in the table below:

External Auditor Fees for FY2022	Total Audit Fees	Total Non-Audit Fees	Total Fees Paid/Payable
S\$'000	642.9	6.3	649.2
% of total audit fees		0.98%	

At the recommendation of the ARC and as approved by the Board, the re-appointment of EY as the external auditors is subject to shareholders' approval at the 2023 AGM.

CORPORATE GOVERNANCE

Internal Audit

The ARC's responsibilities over the Group's risk management and internal controls are complemented by the work of the internal audit.

The Company has in past years outsourced its internal audit function to PwC. At the recommendation of the ARC, the Board approved the re-engagement of PwC as the internal auditors of the Group for FY2022. In FY2022 and as in past years, the ARC assessed the adequacy and effectiveness of the internal audit function by reviewing the audit plan submitted by PwC at the start of the year and the quality of its reports during the year. PwC has unfettered access to the ARC, the Board and Management as well as the Group's documents, records, properties and personnel, and has appropriate standing within the Company. PwC's primary line of reporting is to the ARC Chairperson. The ARC has unfettered access to PwC and meets with PwC without the presence of Management at least annually (except for the FY2019 meeting between the ARC and PwC which was re-scheduled to February 2020 due to the availability of the partner-in-charge at PwC).

The Company's internal audit function is independent of the external audit. PwC is a corporate member of the Institute of Internal Auditors Singapore, and is staffed by professionals with relevant qualifications and experience. The Group's engagement with PwC stipulates that its work shall comply with the PricewaterhouseCoopers Global Internal Audit Services Methodology, which is aligned to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

At the beginning of each year, an annual internal audit plan entailing the review of selected functions or business units of the Group is developed and agreed to by the ARC. The audit plan is devised in such a way that all major functions or business units will be audited within an internal-audit cycle. The ARC directs PwC, as and when deemed necessary and important, to focus on certain aspects of an audit to be conducted, as well as to audit any operational or business aspects.

In FY2022, PwC conducted an internal audit review of the Group's Dutch operations, covering FS NL Holdings B.V. ("**FSNL**"), which is the Company's Dutch-incorporated wholly-owned subsidiary and key investment holding company of its European entities, as well as FS NL Property 2 B.V., FS NL Zuidoost Property 11 B.V., FS NL Zuid Property 12 B.V. and FS NL Amstel Development 16 B.V., which are Dutch-incorporated wholly-owned subsidiaries of FSNL ("**Dutch Ops Review**"). The Dutch Ops Review included the assessment of the effectiveness of controls over sub-processes applicable to procurement, payables and payments, bank and cash management and the general control environment. As at the date of this Annual Report, all recommendations by PwC (except one recommendation which is expected to be implemented by 30 June 2023) have been implemented by the Group.

In compliance with Rule 711B(3) of the Listing Manual, PwC also conducted an internal audit review of the sustainability reporting process of the Group ("**SR Process Review**"). The SR Process Review included an assessment of the effectiveness of the controls over sub-processes such as governance structure and application of existing frameworks. As at the date of this Annual Report, all recommendations by PwC (except two recommendations which are expected to be implemented by 30 June 2023) have been implemented by the Group.

Having reviewed the audit plans and the concluding reports of PwC in relation to the Dutch Ops Review and the SR Process Review, the ARC is satisfied that the Company's internal audit function was adequately resourced to perform the work for the Group.

For FY2022, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively and that Management provided the necessary cooperation to enable PwC to perform its internal audit function. After reviewing the PwC reports and remedial actions implemented by Management, the ARC is satisfied that the internal audit function was independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 : The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12 : The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13 : The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Shareholder Rights

The Company is fully committed to treating all shareholders fairly and equitably. All shareholders enjoy specific rights under the Company's Articles of Association and the relevant laws and regulations. The Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, and where appropriate, also posted on the Company's corporate website at www.1st-sponsor.com.sg.

The Company recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). A shareholder who is a relevant intermediary (as defined in the Companies Act 1967) may appoint more than two proxies each. This enables indirect investors to be appointed as proxies to participate at general meetings. Shareholders are also informed of the rules, including the voting procedures that govern the general meetings.

Conduct of General Meetings

Shareholders are informed of general meetings through notices sent to all shareholders. All shareholders of the Company will typically receive the notice of AGM, proxy form and request form to request for hard copies of the Annual Report, at least 21 days in advance. Shareholders may download the Annual Report and notice of AGM from the Company's corporate website. The notice of AGM is also advertised in either The Straits Times or The Business Times for the benefit of shareholders.

The general meeting procedures provide shareholders the opportunity to raise questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage and openly communicate their views on matters relating to the Company to the Directors.

CORPORATE GOVERNANCE

Shareholders or their appointed proxies are given the opportunity to vote at general meetings. The Company has been conducting electronic poll voting for all resolutions passed at general meetings for greater transparency in the voting process. An independent scrutineer is also appointed for the electronic poll voting process. Prior to the commencement of the general meeting, the independent scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for or against and the respective percentages on each resolution are tallied and displayed 'live' on-screen to shareholders immediately at the general meetings. The outcome of the general meeting (including total numbers of votes cast for or against the resolutions and the respective percentages) is also promptly announced on SGXNET after the general meetings. Each share is entitled to one vote. Provision has been made under Article 60 of the Company's Articles of Association allowing for shareholders to vote in absentia. Examples of absentia voting are voting via telephone or electronic means at general meetings. The Company has not previously implemented voting in absentia by telephone or electronic means due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

All Directors (including the chairpersons of the respective Board committees) and Management are in attendance at general meetings to address any queries that shareholders may have. The external auditors attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The Directors and Management also interact with shareholders after general meetings.

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. "Bundling" of resolutions will be avoided unless the resolutions are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. Detailed information on each resolution in the notice of AGM is in the explanatory notes to the notice of AGM in the Annual Report.

The company secretary prepares minutes of the general meetings, which capture the essence of the comments or queries from meeting attendees and responses from the Board and Management. These minutes are available on the Company's corporate website.

2022 AGM

In light of the Covid-19 situation in Singapore, the Company convened and held its 2022 AGM by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Ministerial Order"). Shareholders were invited to participate in the virtual 2022 AGM by (a) attending the 2022 AGM via live audio-visual webcast or live audio-only stream, (b) submitting questions in advance of, or live at, the 2022 AGM and (c) appointing the Chairman as proxy to attend, speak and vote on their behalf at the 2022 AGM. All Directors (including the Group CEO who is also a Director) attended the 2022 AGM. A record of the Directors' attendance at the 2022 AGM can be found in the section titled "Attendance Record of Meetings of Shareholders, Board and Board Committees in FY2022" on page 68.

Although the Ministerial Order provides for a member or a member to appoint a proxy (other than the Chairman) to vote at a general meeting held on or after 1 October 2020 by electronic means through an electronic voting system, such voting through an electronic voting system may only be used if certain requirements set out in the Ministerial Order are satisfied. These requirements include accuracy in the counting of votes, the electronic voting system being capable of providing records from which the operation of the electronic voting system may be audited and verification by the company that each vote cast was cast by the member or the member's proxy entitled to vote. The Company did not adopt voting through an electronic voting system due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

2023 AGM

The 2023 AGM will be held in a wholly physical format and there will be no option for shareholders to participate virtually. Shareholders may participate in the 2023 AGM by (a) attending the 2023 AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or live at, the 2023 AGM; and (c) voting at the 2023 AGM themselves or through duly appointed proxy(ies).

Disclosure of Information on a Timely Basis

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET.

The Company adopts half-yearly announcements of its financial results. In accordance with the Listing Manual, the Company reports its financial results for the first half of the financial year, within the prescribed forty-five days from the end of the half year, and its financial results for the full financial year, within the prescribed sixty days from the end of the financial year. The financial results and all other information (including a presentation pack highlighting key developments of the Group) are published through SGXNET, via media releases and on the Company's corporate website, to ensure fair dissemination to shareholders. With respect to the financial performance of the Group for the first and third quarters of each financial year and in line with the recommendation by the Corporate Governance Advisory Committee, the Company provides voluntary business updates to keep shareholders informed on various matters considered useful and relevant to enable shareholders to have a better understanding of the Company's performance in the context of the current business environment. The voluntary business updates include a discussion of the significant factors that affected the Company's interim performance, relevant market trends including the risks and opportunities that may have a material impact on the Company's prospects. In FY2022, the Company kept shareholders informed of the impact of the Covid-19 pandemic on the Group's business operations and performance through such updates.

Briefings for analysts and other interested investors will be held immediately after the release of its half year financial results and full year financial results. In FY2022, the Company held briefings for analysts and other interested investors immediately after the release of its FY2021 results and half year financial results. The analysts and investors were invited to attend the briefings face-to-face and were also given the option to attend by way of conference call. The Company does not practise selective disclosure. Price-sensitive or trade-sensitive information is first publicly released through SGXNET, either before the Company meets with any analysts or investors or simultaneously with such meetings.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, financial position, results of operations, capital needs, plans for expansion and other factors which the Board may deem appropriate. The Board will work towards a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions. Any payout is clearly communicated to shareholders via an announcement on SGXNET when the Company discloses its financial results.

The Company has been declaring dividends at half-year and final year-end. For FY2022, the Board recommended a final tax exempt (one-tier) dividend of 2.70 Singapore cents per ordinary share for shareholders' approval at the 2023 AGM. If approved, the total dividend for FY2022 would be 3.80 Singapore cents per ordinary share. This is 10.1% higher than the 3.45 Singapore cents per ordinary share paid for FY2021. If approved, the proposed dividend, shall be paid on or around 19 May 2023. The Company will continue to aim for a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.

CORPORATE GOVERNANCE

Corporate Website

The Company adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. The Company aims to provide clear and continuous disclosure of its corporate governance practices through efficient use of technology. The following information is made available on the Company's corporate website at www.1st-sponsor.com.sg:

- (a) Board and Management profiles;
- (b) Notices of general meetings, results of general meetings and minutes of general meetings;
- (c) Annual Reports;
- (d) Letters/Circulars to shareholders;
- (e) Company announcements;
- (f) Press releases;
- (g) Financial results;
- (h) Company policies; and
- (i) Milestone events.

The latest Annual Report, financial results (including the presentation pack highlighting key developments of the Group) and company announcements are posted on the Company's corporate website following their release to the market, to ensure fair dissemination to shareholders.

Managing Stakeholders Relationships

An investor relations contact is provided on the Company's corporate website, which shareholders can use to voice their concerns or feedback. The Company has in place a formal Investor Relations ("IR") Policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The IR Policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The IR Policy is available on the Company's corporate website.

The Group's approach to stakeholder engagement can be found in the Sustainability Report for FY2022 on pages 50 to 51 of this Annual Report.

ADDITIONAL INFORMATION

Dealings in Securities

The Group has adopted an internal compliance code which provides guidance to its Directors and officers with regard to dealings in the Company's securities.

Under the internal compliance code, the Directors and officers of the Group are required to refrain from dealing in the Company's securities (a) while in possession of material unpublished price-sensitive or trade-sensitive information, (b) during the two weeks immediately preceding and up to the time of the announcement of the Company's voluntary business updates for the first and third quarters and (c) during the one month immediately preceding and up to the time of the announcement of the Company's financial statements for the half year and full financial year. Prior to the commencement of each relevant period, an email would be sent to all Directors and officers of the Group to inform them of the duration of the period. They are also advised not to deal in the Company's securities on short-term or speculative considerations. Further, the Directors and officers of the Group are prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities. There has not been any incidence of non-compliance.

Any dealings by the Directors in securities of the Company are disclosed, in accordance with the requirements of the Securities and Futures Act 2001.

Code of Business Conduct and Ethics, Anti-Corruption Policy & Guidelines and Fraud Policy & Guidelines

The Board and Management are committed to conducting business with integrity and consistent with high standards of business ethics and in compliance with all applicable laws and regulatory requirements. The Company has in place the Code of Business Conduct and Ethics crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code, which provides a communicable and understandable framework for officers and employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, have been disseminated to officers and employees of the Group.

The Code of Business Conduct and Ethics provides guidance on issues such as:

- (a) conflicts of interest and the appropriate disclosures to be made;
- (b) the Company's stance against corruption and bribery;
- (c) compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- (d) compliance with the Company's policies and procedures, including those on internal controls and accounting;
- (e) safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and
- (f) competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

CORPORATE GOVERNANCE

In line with the Board's commitment to maintain high ethical standards which are integral to the Group's corporate identity and business, the Company has also put in place the following two corporate policies:

- (a) Anti-Corruption Policy & Guidelines which set out the responsibilities of the Group companies and of each employee in observing and upholding the Company's 'zero- tolerance' position against all forms of corruption, bribery and extortion and provide information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work; and
- (b) Fraud Policy & Guidelines which provide guidance on actions which may constitute fraudulent conduct and highlight the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.

These policies are available on the Company's corporate website and have also been disseminated to officers and employees of the Group. These policies have been translated into Mandarin for dissemination to employees of the Group in the PRC.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy which sets out the procedures for a whistle-blower to make a report to the Company on any misconduct or wrongdoing relating to the Group, its officers and employees, in confidence, whether anonymously or otherwise, without fear of reprisals in any form. Anonymous complaints may be considered, taking into account the severity and credibility of the issues raised and the likelihood of confirmation of the allegation from attributable sources and information provided. The misconduct or wrongdoing that is reportable under the policy includes (a) criminal offences, (b) breaches of laws and regulations, for example fraud, theft, bribery, corruption, insider trading or money laundering, (c) irregularities in financial reporting, accounting or other financial matters, (d) conduct that is in violation of the Company's policies, procedures or guidelines, (e) unauthorised disclosure of confidential information whether within or outside the Group, (f) undeclared conflicts of interest in business dealings, (g) endangerment of the health and safety of an individual and (h) concealment of any of the above. The ARC is responsible for overseeing and monitoring the whistle-blowing.

Reporting Mechanism

A mechanism for the submission of issues and concerns has been established where whistle-blowers will have direct access to the ARC and may report any issue or concern by mail or email to the ARC. Any report involving any member(s) of the ARC may be submitted by email to the Group CEO, who shall refer the report to the remaining member(s) of the ARC.

Investigations

The ARC has the authority to conduct independent investigations into any complaints and to determine the manner in which the complaint should be investigated. To ensure the independence and effectiveness of the investigations of a report, any investigation will be conducted in a timely manner and will be fair and independent from the whistle-blower as well as the persons involved in the complaint. In determining the appropriate approach to each investigation, the ARC may consider, among other things:

- (a) whether an internal or external investigator should lead the investigation;
- (b) whether the matter should be referred to the external auditors;
- (c) whether the matter should be referred to law enforcement agencies or regulatory authorities; and
- (d) the nature of any technical, financial or legal advice that may be required to support an investigation.

The ARC will consider the investigation report to determine what, if any, actions are to be taken.

Confidentiality and No Reprisal

The policy is aimed at encouraging the reporting of misconduct or wrongdoing and the Company is committed to ensuring that whistle-blowers will be treated fairly, and protected from reprisals or any other detrimental or unfair treatment. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. The policy sets out:

- (a) the steps that the Company will take to protect confidentiality and to protect the whistle-blower against reprisals or any other detrimental or unfair treatment;
- (b) the recourse that is available to the whistle-blower if he or she suffers any reprisals or other detrimental or unfair treatment; and
- (c) the disciplinary action that may be taken against anyone shown to have subjected a whistle-blower to detrimental or unfair treatment.

The policy is available on the Company's corporate website and has also been disseminated to officers and employees of the Group. This policy has been translated into Mandarin for dissemination to employees of the Group in the PRC.

IPTs

The Company has adopted an internal policy in respect of IPTs. The Directors are required to disclose their interest and any conflict of interest in such transactions, and will accordingly abstain from the deliberation and voting on resolutions relating to these transactions. For each material IPT, key information pertaining to the IPT together with the identification of the relationship of each party is provided to the ARC for review and evaluation. The ARC will review the IPT to ensure that the IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. In the event that the relevant threshold as stipulated in the Listing Manual is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to vote by disinterested shareholders at the Company's general meeting as the case may be.

The ARC reviewed IPTs entered into by the Group during FY2022. During FY2022, there were no IPTs with an aggregate value of S\$100,000 or more, except for the following:

	Aggregate value of all IPTs entered into during FY2022 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate ⁵ pursuant to Rule 920 of the Listing Manual) (S\$'000)	Aggregate value of all IPTs conducted under shareholders' mandate ⁵ pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000) (S\$'000)
Transaction with Tai Tak Holdings Private Limited ("TTHPL") ¹ Entry by, among others, FS Pitt Street Hotel Pte. Ltd. ("FSPSH") ² and TTHPL into a securityholders' agreement in relation to v5 Pitt Street Hotel Trust ("Hotel PropCo Trust") ³ and a shareholders' agreement in relation to v5 Pitt Street Hotel OpCo Pty Ltd ("Hotel OpCo") ³ , each dated 23 December 2022	47,700 ⁴	–

CORPORATE GOVERNANCE

Notes:

1. TTHPL is a wholly-owned subsidiary of Tai Tak, a controlling shareholder of the Company.
2. FSPSH is a wholly-owned subsidiary of the Company.
3. Hotel PropCo Trust, a unit trust established in Australia, will be the joint venture vehicle used to acquire the hotel component of the City Tattersall's Club project at 194 to 204 Pitt Street, Sydney, and Hotel OpCo, an Australia-incorporated company, will be the joint venture vehicle used to lease and operate the hotel. FSPSH holds a 70.5% interest in each of Hotel PropCo Trust, the trustee of the Hotel PropCo Trust, namely, v5 Pitt Street Hotel Pty Ltd, and Hotel OpCo, with TTHPL holding a 9.5% interest and ICD Hotel Holdings Pty Ltd as trustee of ICD Hotel Holdings Trust holding the remaining 20% interest.
4. The estimated maximum amount of equity that may be required to be contributed by FSPSH, taking into account the estimated funding required for the hotel.
5. The Company does not have a shareholders' mandate for IPTs.

The above IPT was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its minority shareholders.

Material Contracts

Since the end of the previous financial year ended 31 December 2021, no material contracts involving the interest of the Group CEO, any Director or controlling shareholder has been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 December 2022, save as may be disclosed on SGXNET or herein.

SUMMARY OF DISCLOSURES OF CODE

Rule 710 of the Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports. This summary of disclosures describes the Company's corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the Code.

Principles and provisions of the Code	Page reference in this Annual Report
Provision 1.2 The induction, training and development provided to new and existing Directors	Pages 68 and 69
Provision 1.3 Matters that require Board approval	Page 66
Provision 1.4 Names of the members of the Board committees, the terms of reference of the Board committees, any delegation of the Board's authority to make decisions, and a summary of each Board committee's activities	Pages 70 to 77, 95 to 97
Provision 1.5 The number of meetings of the Board and Board committees held in the year, as well as the attendance of every Board member at these meetings	Page 68
Provision 2.4 The Board diversity policy and progress made towards implementing the Board diversity policy, including objectives	Pages 79 to 81
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new Directors and channels used in searching for appropriate candidates	Pages 77 to 88

Principles and provisions of the Code	Page reference in this Annual Report
<p>Provision 4.4 Where the Board considers a Director to be independent notwithstanding the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent</p>	Pages 77 and 78
<p>Provision 4.5 The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties</p>	Pages 85 to 88
<p>Provision 5.2 How the assessments of the Board, the Board Committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors</p>	Page 89
<p>Provision 6.4 The engagement of any remuneration consultants and their independence</p>	Page 92
<p>Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation</p>	Pages 92 to 94
<p>Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <ul style="list-style-type: none"> (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel 	<p>For Non-Executive Directors, pages 90 to 92</p> <p>For Group CEO and key management personnel, pages 92 to 94</p>
<p>Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, stating clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder</p>	Page 94
<p>Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and details of employee share schemes</p>	<p>For Non-Executive Directors, pages 90 to 92</p> <p>For Group CEO and key management personnel, pages 92 to 94</p> <p>For employee share option scheme, page 90</p>

CORPORATE GOVERNANCE

Principles and provisions of the Code	Page reference in this Annual Report
<p>Provision 9.2 Whether the Board has received assurance from:</p> <ul style="list-style-type: none"> (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems 	Page 95 to 96
<p>Provision 10.1(f) The existence of a whistle-blowing policy and procedures for raising such concerns</p>	Pages 103 and 104
<p>Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year</p>	Pages 68 and 99
<p>Provision 11.6 The Company's dividend policy</p>	Page 100
<p>Provision 12.1 The steps taken to solicit and understand the views of shareholders</p>	Pages 98 to 100
<p>Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period</p>	Page 101