

# Corporate Governance

GuocoLand Limited (the “Company”) is committed to maintaining high standards of corporate governance as well as a strong and sound corporate culture to ensure the Company’s long-term success and to enhance its shareholders’ value. During the financial year ended 30 June 2023 (“FY2023”), the Company continued to be on the SGX Fast Track programme list which was launched by the Singapore Exchange Regulation to recognise the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record. The Company also supported the Corporate Governance Statement of Support organised by the Securities Investors Association Singapore (SIAS) to demonstrate its commitment towards excellence in corporate governance. The Company was ranked 49<sup>th</sup> among the 489 companies listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) that were being assessed in the Singapore Governance and Transparency Index 2022.

During the FY2023, the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 (“Code 2018”) as presented in this report. The Company’s own Code of Corporate Governance (“Company Code”) comprising the terms of reference for the Board of Directors and its Committees is in line with the principles and provisions of Code 2018.

## (A) BOARD MATTERS

### *Principle 1*

#### *The Board’s Conduct of Affairs*

##### Board’s Role and Responsibilities

The Company is headed by an effective Board which is collectively responsible and works with key management personnel for the long-term success of the Company. The Board and key management personnel discharge their statutory and fiduciary responsibilities, both individually and collectively. The Board oversees the business affairs of the Group and carries out this oversight function by assuming responsibility for effective stewardship and corporate governance of the Company and the Group.

Its principal role and responsibilities include the following:

- (a) providing entrepreneurial leadership setting the overall strategic business objectives, policies and direction for the Company, with appropriate focus on sustainability issues, value creation and innovation;
- (b) ensuring that the necessary resources are in place for the Company to meet its strategic objectives;
- (c) establishing and maintaining a sound risk management framework to effectively monitor and manage risks and to achieve an appropriate balance between risks and the Company’s performance;
- (d) reviewing Management’s performance;
- (e) ensuring transparency and accountability to key stakeholder groups; and
- (f) setting the Company’s values and standards to instil an ethical corporate culture and ensuring that the Company’s values, standards, policies and practices are consistent with the culture.

## Corporate Governance (continued)

### Board Committees

The Board exercises independent judgement in dealing with the business affairs of the Group and objectively discharges its duties and responsibilities in the interest of the Group. To assist the Board in executing its duties, the Board has delegated specific functions to the following Board committees:

- Audit and Risk Committee (“ARC”);
- Nominating Committee (“NC”); and
- Remuneration Committee (“RC”).

Each Board committee reviews the matters that fall within its respective terms of reference and reports its decisions to the Board which endorses and accepts ultimate responsibility on such matters.

### Matters which require Board Approval

The Company Code sets out the matters which require the Board’s approval. These included the annual business plan and budget, risk appetite, major investments including joint venture transactions, Directors’ Statement and audited Financial Statements, the financial results announcements of the Company and interested person transactions which required announcements to be made.

### Directors’ Attendance and Participation in Board and Board Committees and General Meeting(s)

Meetings of the Board and its Committees are scheduled one year ahead. The Board meets at least on a quarterly basis to review, *inter alia*, the Company’s business and financial results. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors’ Circulating Resolutions. As provided in the Company’s Constitution, Directors may convene Board meetings by teleconferencing or videoconferencing. During the FY2023, with the easing of the coronavirus disease 2019 (COVID-19) restrictions in Singapore, the Board and Board Committees resumed most of their meetings in person. Directors who could not attend these meetings in person had participated via videoconferencing. The Company’s Annual General Meeting (“AGM”) held in 2022 was conducted via electronic means. The attendance of Directors at meetings of the Board and the Board Committees as well as the AGM is set out in the table below:

<b>FY2023 Meetings</b>	<b>Board</b>	<b>ARC</b>	<b>NC</b>	<b>RC</b>	<b>AGM</b>
<b>Total Number of Meetings Held</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>
Moses Lee Kim Poo (Retired on 14 October 2022)	1	–	–	–	1
Quek Leng Chan	4	–	–	2	1
Cheng Hsing Yao	4	4	–	1	1
Kwek Leng Hai	4	–	2	–	1
Jennie Chua Kheng Yeng (Retired on 4 August 2022)	–	–	–	–	–
Saw Kok Wei	4	4	2	2	1
Chew Seong Aun (Stepped down on 1 April 2023)	3	3	–	–	1
Wee Lieng Seng	4	4	2	2	1
Madeleine Lee Suh Shin (Appointed on 1 April 2023)	1	1	–	–	–
Quek Kon Sean (Appointed on 1 April 2023)	1	–	–	–	–

### Induction, Training and Development of Directors

Newly appointed Director(s) to the Board will be issued a formal letter by the Company and furnished with an induction package comprising meeting schedules of the Board and its Committees, the Company's latest Annual Report, Company's Constitution, Company Code, materials on corporate overview such as corporate structure, strategic business units, Guidebook on being an Effective Director and Guidebook setting out the duties and obligations of Directors of the Company, etc.

When a Director is appointed to a Board Committee, it is the Company's practice to highlight the relevant terms of reference to such Director and provide a copy of the related Guidebook for the Committee. New Directors will also be encouraged to attend the Listed Entity Director ("LED") programmes (where appropriate) conducted by the Singapore Institute of Directors ("SID"); and Director Financial Reporting Fundamentals co-organised by SID and the Institute of Singapore Chartered Accountants and supported by Accounting and Corporate Regulatory Authority ("ACRA"), where relevant. Newly appointed Director(s) with no prior experience as Director(s) of a listed company will undergo training in the roles and responsibilities of Director of a listed company as prescribed by the SGX-ST. During the FY2023, the Company had arranged for new Directors to attend the relevant LED programmes conducted by SID so as to enhance their skills and knowledge to execute their duties effectively. The new Independent Non-Executive Director, who is a member of the ARC, was also briefed by senior management and the internal auditors of the Company to enable her to familiarise with the Company's business, financials, internal controls/risk management as well as understanding her roles and responsibilities as an Independent Director of the Company.

All Directors are provided with relevant information on the Company's policies, procedures and practices relating to governance matters, including disclosure of interests in securities, dealings in the Company's securities, restrictions on disclosure of price sensitive information and declaration of interests relating to the Group's businesses.

To facilitate each Director to develop his/her competencies to effectively discharge his/her duties, all Directors are updated regularly on key regulatory and accounting changes and risk management from time to time. Training programmes and seminars attended by Directors during the FY2023 included the following: SID Annual Corporate Governance Roundup 2022; ACRA-SGX-SID Audit and Risk Committee Seminar 2023 – Sustainability: Opportunities, Risk and Governance; LED 1: LED Essentials. All Directors have undergone the required training on sustainability as required by the SGX-ST through their attendance of LED - Environmental, Social and Governance Essentials conducted by SID. Arrangements had also been made for the newly appointed Directors to attend the prescribed training by the financial year ending 30 June 2024. The NC has reviewed the training and professional development programmes attended by Directors and supported by the Company.

### Access to Information

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, Management furnished the Board with reports of the Company's operations and performance, financial position and prospects for review at each Board meeting. Management also keeps the Board apprised of the Company's operations and performance through separate meetings and discussions. To facilitate participation at meetings, reports/materials are being uploaded in advance of meetings to a secured system accessible by Directors. Directors are updated regularly on key legislative and regulatory requirements so that appropriate systems and procedures and/or policies may be established and implemented to ensure compliance.

In addition, Directors are provided with management accounts explaining the Group's financial performance and operations update on a regular basis. Such reports enable Directors to make a balanced and informed assessment of the Group's performance, position and prospects, and the Board is kept abreast of the Group's business activities.

## Corporate Governance (continued)

### Separate and Independent Access

Directors have separate and independent access to Management and the Company Secretary, whose role includes, *inter alia*, ensuring that relevant procedures are followed as well as applicable rules and regulations are complied with. The incumbent Company Secretary, Ms Mary Goh, has more than two decades of corporate secretarial experience in professional consultancy firms and public listed companies. Ms Goh is a Fellow of the Chartered Secretaries Institute of Singapore. She holds a Master of Business Administration Degree from the University of South Australia and a Master of Laws in Commercial Law from the Singapore Management University.

The Company Secretary attends all the meetings of the Board and Board Committees and ensures that relevant procedures are followed and that applicable rules and regulations prescribed by, *inter alia*, the Companies Act 1967 and the Listing Manual of the SGX-ST are complied with. She also advises the Board on all governance matters, as well as assisting with the co-ordination of training and professional development for Board members.

Directors also have access to independent professional advice at the Company's expense, in consultation with the Group Chief Executive Officer of the Company.

### **Principle 2**

#### **Board Composition and Guidance**

### Board Independence

On an annual basis, the NC determines the independence of Directors taking into consideration the circumstances as set out in Code 2018 and the Listing Manual of the SGX-ST, as well as whether there was any circumstance or relationship that might impact on a Director's independence or perception of independence. All the Directors had made declarations on their respective status of independence which were submitted to the NC for review. The NC had determined that Mr Saw Kok Wei, Mr Wee Lieng Seng and Ms Madeleine Lee Suh Shin are independent. The Board had accepted the assessment of Directors' independence by the NC. With the recent appointment of a new Independent Non-Executive Director, Ms Sharon Wee Hsu Oon, the Board now comprises eight Directors, the majority of whom are Non-Executive Directors, and four of whom making up 50% of the Board being Independent Directors. Ms Wee is a partner of Allen & Gledhill LLP ("A&G"), one of the several law firms which provides legal services to and receives fees from the Group. She is not involved in the selection and appointment of legal counsels for the Group. Her interest in A&G is less than 5% and the fees paid by the Group do not form a significant portion of A&G's revenue. The Board has determined that such relationship would not affect Ms Wee's ability and willingness to operate independently. The NC continuously reviews the Company's Board composition to ensure an appropriate level of independence and it is in the process of identifying an additional Independent Director so that a majority of the Board will comprise Independent Directors.

### Board Size, Board Renewal and Board Diversity

The NC also reviewed the size and composition of the Board and Board committees, taking into consideration the need for the Board to have the requisite balance and right mix of competencies and other aspects of diversity such as gender and age to oversee the Company's business.

As part of the Board renewal process, new Independent and Non-Executive Directors were appointed in place of those who had served on the Board for 9 years or more and the Non-Executive Director who had retired or stepped down from the Board. In line with the Company's Board Diversity Policy, the recent appointments of two female Independent Directors and one Non-Independent Non-Executive Director, had enhanced the diversity of the Board in terms of gender as well as age and further added to the objective to have Directors who as a group, comprise individuals with the appropriate qualifications and competencies (including skillsets and/or experience) to bring a range of diversified perspectives to the Board.

The Company's diversity targets for the Board and its plans and timelines for achieving the targets and progress towards achieving the targets include:

**Gender Diversity:** At least 20% female representation on the Board, taking into account the skills, experience and other diversity requirements of the Board. The current composition of the Board comprises two female directors which makes up 25% of the Board composition.

**Core Skill Sets:** The current Board comprises Directors with skills, experience, knowledge with core competencies in the areas of accounting, risk management, financial, banking, legal, business management, real estate and property development, which are identified by the Board as critical for the Board to carry out its oversight of the business affairs, and to exercise effective stewardship and corporate governance of the Company and the Group.

The Board had tasked the NC to review and monitor the implementation of the Company's Board Diversity Policy.

Based on the NC's review, the Board considers its current size to be adequate to facilitate effective decision making for the current nature and scope of the Group's business operations. The Board also considers its composition with a balanced mix of skills and diversity to be appropriate for the existing needs and demands of the Group's businesses.

Non-Executive Directors are expected to be familiar with the Company's business and stay informed of its activities. They are also encouraged to constructively challenge Management and help develop proposals on strategy. During the FY2023, Non-Executive Directors had met without the presence of Management.

### **Principle 3**

#### **Chairman and Chief Executive Officer**

##### Separate Role of Chairman and Group Chief Executive Officer ("GCEO")

The Board Chairman, Mr Quek Leng Chan is a Non-Independent Non-Executive Director. There is clear division of responsibilities in the respective roles and functions of the Chairman, Mr Quek and the GCEO, Mr Cheng Hsing Yao. There is no familial relationship between Mr Quek and Mr Cheng.

The Chairman leads the Board and ensures its smooth and effective functioning.

The GCEO is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholders' wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress. The GCEO also holds regular meetings with senior management and on a quarterly basis, updates the Board on progress made on corporate strategies and operational targets that were pre-set.

##### Lead Independent Director

The Company's Independent Directors are well experienced, able to function effectively and have regular and active interactions during Board and Board Committee meetings as well as discussions without the presence of Management which provided sufficient opportunity for free and open discussions among themselves. Further, the Directors and Management are available to shareholders. The Company also responds promptly to queries of shareholders. As such, the Company is of the view that the appointment of a lead Independent Director to play an additional facilitative role within the Board or to facilitate communication between the Board and shareholders or other stakeholders of the Company is not necessary.

## Corporate Governance (continued)

### **Principle 4** **Board Membership**

#### Nominating Committee

The NC currently consists of the following three Directors, all of whom are non-executive with the majority, including its Chairman, being independent:

- Mr Wee Lieng Seng, Chairman (Independent Non-Executive Director);
- Mr Kwek Leng Hai, Member (Non-Independent Non-Executive Director); and
- Mr Saw Kok Wei, Member (Independent Non-Executive Director).

The terms of reference of the NC are set out in the Company Code and include, *inter alia*, the following:

- (a) reviewing the structure, size and composition of the Board and its Committees;
- (b) reviewing and recommending to the Board on all Board appointments and re-appointments (including alternate Directors, if applicable);
- (c) determining annually whether or not, a Director is independent;
- (d) evaluating the performance of the Board as a whole, the Board Committees, individual Directors and the Board Chairman;
- (e) reviewing training and professional development programmes for Directors;
- (f) reviewing Board succession plans for Directors, in particular, the Chairman and the GCEO; and
- (g) reviewing and recommending, where appropriate, the number of listed board representations a Director may hold.

#### Selection of Directors

The Company has in place a process for the selection and appointment of new Director(s) to the Board which has been followed by the NC. Factors considered by the NC include the relevant skills that the Company sought such as strategic planning, business and management experience, industry knowledge e.g. real estate.

In the selection and appointment of new Director(s), candidate(s) may be put forward or sought through internal promotion, contacts and recommendations from Directors/substantial shareholders or external sources, when appropriate. Taking into account the Company's Board Diversity Policy, the NC will review the profile of the candidate(s) proposed for appointment, having regard to the range of diversity perspectives including but not limited to gender, age, competencies, skills, professional expertise, experiences, background and track records, and make recommendation to the Board on the appointment of new Director(s).

As prescribed by the Company's Constitution and the Listing Rules of the SGX-ST, one-third of the Directors for the time being are required to retire from office and are individually subject to re-election by shareholders at the Company's AGM. Every Director is required to retire from his/her office and is subject to re-election at least once in every three years. The NC will review the contributions and performance of the Directors who are retiring at the AGM to determine their eligibility for re-nomination.

#### Directors' Multiple Board Representations and Time Commitments

The NC is tasked to determine if a Director is able to and has been adequately carrying out his/her duties as a Director of the Company. In assessing whether a Director is able to or has been adequately carrying out his/her duties, the NC would take into account the number of directorships and principal commitments of each Director. In this regard, the NC and the Board had established a general guidance that the maximum number of listed company board representation which a Director holds should not exceed five. For the FY2023, the NC has determined that each Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board has reviewed and is satisfied that the Directors' current directorships in listed company boards (which did not exceed five) and their other principal commitments did not affect their time commitment to the affairs of the Company.

#### Directorship/Chairmanship of Directors

Key information of each member of the Board including date of first appointment as a Director, date of last re-election, academic and professional qualifications, background and experience, directorships or chairmanships in other listed companies and principal commitments, and other relevant information can be found in the "Board of Directors" section of this Annual Report.

#### **Principle 5** **Board Performance**

#### Evaluation of Board Chairman, individual Directors and Board Committees

On an annual basis, the NC assesses the effectiveness and performance of each individual Director, the Board Chairman, each Board Committee and the Board as a whole.

Each Director carried out a self-assessment on his/her performance based on evaluation criteria such as his/her contributions to the functions of the Board, participation and attendance at Board Meetings, his/her competencies, expertise and skills as well as knowledge of the business of the Group and the industry in which the Group operates in.

The Chairman has also carried out a self-assessment of his performance with particular emphasis on his role and responsibilities as a Chairman based on criteria drawn from the guidelines as set out in SID's NC Guide, including conduct of meetings of the Board and shareholders, leadership, communication and interaction with Directors, shareholders and other stakeholders, possession of high level of ethics/values, etc.

Each Board Committee Chairman evaluated his respective Board Committees, taking into account the respective Board Committees' roles and responsibilities as well as the contributions of members to the functions of these Committees.

All Directors participated in the assessment process and submitted their respective completed and signed assessment forms to the Company Secretary for collation and presentation to the NC for evaluation.

## Corporate Governance (continued)

### Evaluation of the Board as a whole

The NC had evaluated the collective Board performance, taking into account the self-assessment conducted by individual Directors and the Board Chairman as well as the performance of each Board Committee. In assessing the Board's performance as a whole, the NC had considered the Board's integrity, competency, responsibilities, governance and organisation as well as team dynamics. The NC also carried out an evaluation and review of the contributions of Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills, experience and time commitment, in particular for Directors who served on multiple boards as well as the overall Board size and composition.

On the basis of the aforesaid evaluation, the NC is satisfied that for the FY2023, the Board and its Committees had been effective in the conduct of their respective duties and the Directors have each contributed to the effectiveness of the Board and its Committees (as applicable). The results of the NC's assessment had been communicated to and accepted by the Board.

### **(B) REMUNERATION MATTERS**

#### **Principle 6**

#### **Procedures For Developing Remuneration Policies**

The RC currently comprises the following three Directors all of whom are non-executive, with the majority, including the Chairman, being independent:

- Mr Wee Lieng Seng, Chairman (Independent Non-Executive Director);
- Mr Quek Leng Chan, Member (Non-Independent Non-Executive Director); and
- Mr Saw Kok Wei, Member (Independent Non-Executive Director).

No member of the RC was involved in deciding his/her own remuneration.

The terms of reference of the RC are set out in the Company Code and its duties include, *inter alia*, reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel; reviewing and recommending to the Board for the Board's endorsement, the specific remuneration packages for each Director as well as for the key management personnel; and the administration of the Company's Executive Share Scheme 2018 ("ESS").

The RC may seek remuneration consultants' advice on remuneration matters for Directors as it deems appropriate. For the FY2023, the RC did not require the service of an external remuneration consultant.

As regards the Company's obligations arising in the event of termination of service contracts, the Company does not provide any termination, retirement or post-employment benefits to its Directors, the GCEO and key management personnel (who are not Directors of the Company or the GCEO).



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

In its review and recommendation for the remuneration framework, the RC took into account the performance of the Group, the individual Directors and key management personnel, linking rewards to corporate and individual performance.

The RC also took into account industry practices and norms in remuneration to ensure that the remuneration packages for Directors and key management personnel are competitive to attract, retain and motivate Directors and key management personnel to provide good stewardship and effective management for the Company. Such remuneration framework is being reviewed on an annual basis to ensure that they remain relevant.

The Company's remuneration structure for key management personnel comprises both fixed and variable components. Fixed component includes, *inter alia*, a basic salary whilst variable component includes performance-linked incentives which are described in more details below.

The RC affirmed that the Company's performance-related remuneration structure takes into consideration the balance between profit and risk, and is aligned with the long-term interest and risk management policies of the Company. The structure is symmetrical with risk outcomes and sensitive to the risk time horizon with rewards commensurate with the business performance as well as achievement of the individuals.

To promote staff motivation, the Company established a remuneration framework comprising both short-term and long-term incentives that are linked to performance. Short-term incentives include performance-linked variable bonus. For the purpose of assessing the performance of the GCEO and key management personnel of the Group, specific Key Result Areas ("KRA") including both financial and non-financial measures are set for each financial year. An annual appraisal is conducted taking into consideration the achievements of the pre-set KRA for the GCEO and each key management personnel.

To promote long-term success of the Company, long-term incentive scheme such as ESS may also be incorporated in the remuneration framework of selected key management personnel.

Non-Executive Directors do not receive any salary. However, Independent Non-Executive Directors receive Director fees that are based on corporate and individual responsibilities and which are in line with industry norm.

The Company does not have any contractual provisions to reclaim incentive components of remuneration from Executive Director(s) and the key management personnel in any circumstances. Nonetheless, the Company's ESS provides that upon the exercise of an option or upon the vesting of shares under the grant of ESS, the shares received by the Executive Director(s) and the key management personnel may be subject to retention period or restriction of transfer as determined by the RC at its absolute discretion. Further, the RC may at its absolute discretion, determine such malus and/or clawback provisions to be applied to an option and/or a grant (as the case may be) upon the occurrence of the applicable malus and/or clawback event(s) under the performance-linked ESS.

## Corporate Governance (continued)

### Principle 8

#### Disclosure on Remuneration

##### Directors and GCEO

The breakdown of remuneration of Directors and the GCEO of the Company for the FY2023 is set out below:

<b>Directors</b>	<b>Fixed Salary (inclusive of Employer CPF) S\$</b>	<b>Variable Bonus (inclusive of Employer CPF) S\$</b>	<b>Director Fees S\$</b>	<b>Other Benefits S\$</b>	<b>Total S\$</b>
Moses Lee Kim Poo (Retired on 14 October 2022)	–	–	31,945	11,796	43,741
Quek Leng Chan	–	–	–	–	–
Kwek Leng Hai	–	–	–	–	–
Jennie Chua Kheng Yeng (Retired on 4 August 2022)	–	–	8,438	–	8,438
Saw Kok Wei	–	–	142,233	–	142,233
Chew Seong Aun (Stepped down on 1 April 2023)	–	–	–	–	–
Wee Lieng Seng	–	–	138,000	–	138,000
Madeleine Lee Suh Shin (Appointed on 1 April 2023)	–	–	29,918	–	29,918
Quek Kon Sean (Appointed on 1 April 2023)	–	–	–	–	–
			<b>Total</b>	<b>11,796</b>	<b>362,330</b>

<b>GCEO</b>	<b>Fixed Salary (inclusive of Employer CPF) %</b>	<b>Variable Bonus (inclusive of Employer CPF) %</b>	<b>Share Grant* %</b>	<b>Other Benefits %</b>	<b>Total %</b>
S\$2 million to S\$2.25 million					
Cheng Hsing Yao	61.1	28.2	9.3 <sup>#</sup>	1.4	100

\* A share grant comprising 243,589 ordinary shares of the Company (“Shares”) was granted to Mr Cheng Hsing Yao, pursuant to the ESS, on 20 January 2023 to be vested over 3 years in 3 tranches with the first tranche in 2023 and the last tranche in 2025. The first tranche of share grant comprising 81,196 Shares was vested and such Shares were transferred to Mr Cheng on 1 February 2023. The remaining 2 tranches of share grant comprising an aggregate of 162,393 Shares will be vested to Mr Cheng by 2025.

<sup>#</sup> Includes the fair value of Shares vested.

Having considered the provisions in the Code 2018 on the disclosure of remuneration of Directors and the GCEO, the RC is of the view that it is appropriate to provide full disclosure of fees proposed to be paid to Directors for the FY2023 which aggregate to S\$362,330 and will be tabled at the forthcoming 47<sup>th</sup> AGM under Agenda Item No. 3 for shareholders’ approval.

As regards the disclosure of remuneration of the GCEO who is also an Executive Director of the Company, for the financial year under review, the Company took into account the very sensitive nature of the matter as well as the impact such disclosure would have on the Group, and is of the view that the current disclosure on a named basis and in bands of S\$250,000 (including the provision of a breakdown in percentage terms) is sufficient.

### Top Key Management Personnel

In determining the remuneration packages of the Group's top key management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

On the disclosure of remuneration of the Group's top key management personnel, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis in bands of S\$250,000 with breakdowns of each key management personnel's remuneration earned through base/fixed salary, variable bonuses, benefits in kind, etc. Accordingly, such details are not disclosed as the Company believes that in view of the competitive nature of the human resource environment and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

The remuneration package of the top five key management personnel (who are not Directors of the Company or the GCEO), comprising mainly salaries and bonuses, aggregated to a total remuneration of S\$2,369,548 for the FY2023. The number of key management personnel (who are not Directors of the Company or the GCEO) under each remuneration bands of S\$250,000 is set out below:

<b>Remuneration in Bands of S\$250,000</b>	<b>No. of Key Management Personnel (who are not Directors or the GCEO)</b>
S\$500,001 to S\$750,000	3
S\$250,001 to S\$500,000	1
< S\$250,000	1

As regards the Company's ESS, the details are set out in the Directors' Statement and Note 27 to the Financial Statements.

During the financial year, there was no termination, retirement and post-employment benefits granted to Directors, the GCEO and the top five key management personnel (who are not Directors or the GCEO).

There are no employees who are substantial shareholders of the Company, or are the immediate family members of any of the Directors or the GCEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 for the FY2023.

## **(C) ACCOUNTABILITY AND AUDIT**

### **Principle 9**

#### **Risk Management and Internal Controls**

The Board recognises the importance of risk management and the need to establish a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders. The ARC has been tasked to assist the Board to oversee the governance of risks and monitors the Group's risks through an integrated approach of enterprise risk management, internal controls and assurance systems. As part of the Group's enterprise risk management, the key risks faced by the Group on an enterprise wide level as well as those faced by each key strategic business unit had been identified.

## Corporate Governance (continued)

### Key Risks

Key risks faced by the Group include sales and leasing risk, investment and divestment risk, project implementation risk, interest rate risk, etc. Financial risks are set out in Note 31 to the Financial Statements. A system of rating such potential risks has been established to identify tolerance level for the various classes of risks and determine the likelihood of the occurrences of such risks. The requisite internal controls and strategy to mitigate potential risks such as risks relating to information technology, disruption and cyber security risks, are also recorded and tracked in the Group Risk Register. A Business Continuity Plan which outlines the potential disaster scenarios that may have material adverse impact to the business operations as well as the mitigating recovery process supported by IT disaster recovery plan, had been drawn up as part of the enterprise risk management of the Group.

To ensure the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, the ARC reviews the Group Risk Register on a quarterly basis. Key risks profiles are updated on a half-yearly basis; in addition, timely updates will be made when there are major movements on the risk ratings and this will be presented at the quarterly ARC meetings. The internal auditors ("IA") and risk manager will validate the internal controls and risk treatment plans respectively for each of the key risks while the external auditors will highlight any material internal control weaknesses that had come to their attention in the course of their audit. The findings of the IA and external auditors as well as the risk manager will be brought up to the ARC which will in turn report to the Board, any issues or matters arising from the Group Risk Register. The ARC will also highlight to the Board on any updates to the key risks report.

A robust process had been put in place whereby each business unit provided financial status declaration to the GCEO and the Group Chief Financial Officer ("GCFO"). Such declaration would confirm, *inter alia*, that the consolidated accounts of the business units were correct and had been prepared in accordance with the Group's accounting policies. This process together with the findings and assurance from the IA with regard to the adequacy and effectiveness of the Group's internal controls to address financial, operational, compliance and information technology controls and risk management systems, had facilitated the GCEO and the GCFO to provide assurance to the Board.

The Board has received assurance from the GCEO and the GCFO that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. The Board has also received assurance from the GCEO and key management personnel regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Having regard to the reviews carried out by the ARC, findings raised by the IA and external auditors and assurance from the Management and IA, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 30 June 2023. During the FY2023, there were no material weaknesses being identified in the Group's internal controls or risk management systems.

### **Principle 10** **Audit and Risk Committee**

The ARC currently comprises the following Directors, all of whom are independent and non-executive:

- Mr Saw Kok Wei, Chairman (Independent Non-Executive Director);
- Mr Wee Lieng Seng, Member (Independent Non-Executive Director); and
- Ms Madeleine Lee Suh Shin, Member (Independent Non-Executive Director).

A majority of the ARC members have recent and relevant accounting or related financial management expertise or experience. The Chairman of the ARC has extensive global experience across a number of industries in the United Kingdom, Singapore, Indonesia and China. None of the ARC members were previous partners or directors of the Company's external auditors, KPMG LLP, within the last 24 months or hold any financial interest in KPMG LLP. The profile of the ARC Chairman and its members are presented under the "Board of Directors" section of this Annual Report. The Board is satisfied that such members are appropriately qualified to discharge their responsibilities.

The terms of reference of the ARC are set out in the Company Code which provides that the ARC has explicit authority to investigate any matter within its terms of reference; full access to and cooperation by Management; full discretion to invite any Director or executive officer to attend its meetings; and reasonable resources to enable it to discharge its functions properly.

In accordance with the written terms of reference of the ARC, it had undertaken and performed, *inter alia*, the following functions during the financial year:

- reviewed the Company's draft announcements on financial results prior to the submission to the Board. The ARC also reported and highlighted to the Board on significant issues and judgements that the ARC had considered in relation to the financial statements, and how these issues were addressed;
- assisted the Board to oversee the Company's risk management framework and policies;
- reviewed the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls, and risk management systems);
- reviewed the assurance from the GCEO and the GCFO on the financial records and financial statements;
- reviewed the Company's Whistle-Blowing Policy to ensure that arrangements are in place for the independent investigation of possible improprieties in matters of financial reporting or other matters to be safely raised; and that appropriate follow up action has been taken as well as highlighting to the Board on any significant matters raised through the whistle-blowing channel;
- reviewed interested person transactions where they exceeded the relevant threshold levels or as required by the Listing Manual of the SGX-ST;
- reviewed the adequacy, effectiveness, independence, scope, and results of the external audit and the Company's internal audit function;
- met with the Company's external auditors and IA, without the presence of Management;
- reviewed the independence of the Company's external auditors and IA. The aggregate amount of fees paid to the external auditors, and a breakdown of the fees paid in total for audit and non-audit services are disclosed in Note 24 to the Financial Statements; the ARC is satisfied with the independence and objectivity of the external auditors and IA;
- made recommendation to the Board on the re-appointment of the external auditors. In this regard, the ARC had assessed the independence and objectivity of the external auditors taking into consideration the requirements under the Accountants Act 2004 of Singapore, the fees paid for audit and non-audit services and the cooperation extended by Management to allow an effective audit. The ARC had also assessed the quality of work carried out by the external auditors based on ACRA's Audit Quality Indicators Disclosure Framework;
- reviewed the Company's Sustainability Report for submission to the Board for approval as well as the assurance provided by the internal audit function in relation to the internal review of the Company's sustainability reporting processes.

The Company has complied with Rules 712, 715 and 716 of the Listing Manual issued by SGX-ST in relation to the appointment of its external auditors.

In its review of the financial statements of the Group and the Company for the FY2023, the ARC has discussed with both the Management and the external auditors, the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for the FY2023. Detailed information on the key audit matters is set out in the Independent Auditors' Report.

## Corporate Governance (continued)

### Key audit matters

### How these issues were addressed by the ARC

#### Valuation of development properties

The ARC was periodically briefed on the development of key projects and the selling prices achieved on units sold during the period under review. It also discussed with Management about the market trends and the strategies to sell the inventories focusing on projects with slower-than-expected sales or with low margins.

The ARC considered the findings from the external auditors on their assessment of the estimation of net realisable value and allowances for foreseeable losses to form a view on the appropriateness of the level of allowance set aside by Management.

The ARC was satisfied with the estimation of net realisable value for development projects as adopted and the carrying amount of development properties disclosed in the financial statements.

#### Valuation of investment properties

The ARC reviewed the outcomes of the annual valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains/losses during the period under review.

The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies, the underlying key assumptions applied in the valuation of investment properties, the estimation and uncertainty during the current climate.

The ARC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.

### Conflict of Interest

Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction, are required to declare the nature of their interests in accordance with the Company's Constitution and provisions of the Companies Act 1967. In the event that a Director faces a conflict of interest, he/she will recuse from participation in any discussion and/or decision on the matter.

### Interested Person Transactions ("IPT")

The Company has in place an internal policy that requires the ARC to note and review IPT, as recorded in the Company's Register of IPT. Directors are required to disclose their interest and any conflict of interest in such transactions, and will accordingly abstain from the deliberation and voting in resolutions relating to these transactions. For each material or significant IPT, key information pertaining to the IPT together with the identification of relationship of each party is provided to the ARC for review and evaluation. The ARC will review the IPT to ensure that the terms are fair and at arms' length, and not prejudicial to the interest of the Company and its minority shareholders. In the event that the relevant threshold as stipulated in the Listing Rules of the SGX-ST is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to vote by disinterested shareholders at the Company's general meeting, as the case may be. The type, nature and value of significant related party transactions during the financial year under review are listed in Note 29 to the Financial Statements. Save as disclosed, no material contract involving the interests of the GCEO, each Director or controlling shareholder of the Company, has been entered into by the Company or any of its subsidiaries during the financial year, and no such material contract was subsisting as at the end of the financial year.

### Internal Audit

The Company has its own in-house qualified internal audit team comprising the Head, Internal Audit, Mr Jason Ho, and his team of qualified personnel. The Head, Internal Audit's primary line of reporting is to the Chairman of the ARC, although he reports administratively to the GCEO. The IA assists the ARC to review and assess the adequacy and effectiveness of the Group's internal controls based on the COSO Internal Control Integrated Framework to ensure no material weaknesses in respect of financial, operational, compliance and information technology.

The IA also audits the operations of the Group to ensure regulatory compliances and adherence to Group policies and procedures. The scope of the IA's reviews is set out in the IA's annual work plan which is approved by the ARC. The IA also undertook an internal review on the sustainability reporting processes as required by the Listing Rules of the SGX-ST. During the FY2023, the IA had carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors (IIA).

The ARC reviews the adequacy, effectiveness and independence of the internal audit function to ensure that the internal audits are conducted effectively and the Management provides the necessary cooperation to enable the IA to perform its function. The ARC also reviews the IA reports and remedial actions taken by Management to address any internal control weaknesses that had been identified.

## **(D) SHAREHOLDER RIGHTS AND ENGAGEMENT**

### ***Principle 11***

#### ***Shareholder Rights and Conduct of General Meetings***

The Company believes in treating all shareholders fairly and equitably by recognising, protecting and facilitating the exercise of shareholders' rights, and continually reviews and updates such governance arrangements. The Company currently has one class of shares in issue being ordinary shares which carry one vote for one share held.

The Company also believes in providing its shareholders with a balanced and understandable assessment of the Company's financial performance, position, and prospects. Such information is furnished through the Company's announcements of its financial results and media releases (where appropriate) to the SGX-ST.

The Company's general meetings are the principal forum for dialogues with its shareholders where the Board and Management address shareholders' concerns, if any, as well as solicit views or inputs of shareholders. Shareholders may access the notices of general meetings which set out the resolutions to be tabled to shareholders for approval together with the proxy forms as well as the annual reports and circulars/addendums on the Company's website and the SGX-ST website.

Separate resolutions were proposed for approval at general meetings on each substantially separate issue, for example, resolutions relating to payment of Director fees, the authorisation for issue of additional shares, re-appointment of the auditors and re-election of each Director, are separately proposed for shareholders' approval. The rationale, information and explanation relating to each resolution are set out in the Notice of AGM. The profiles of each Director proposed for re-election as stated in the Notice of AGM were cross-referenced to the respective "Board of Directors" and "Additional Information on Directors Seeking Re-election at the Annual General Meeting" page in the Company's Annual Report. Due to security concerns, the Company will not be implementing absentia voting methods such as by mail, e-mail or facsimile.

To promote effective shareholders' participation and enhance transparency of the voting process at general meetings, the Company had been conducting electronic poll voting for all the resolutions proposed at its general meetings. The electronic voting procedures were presented to shareholders before the commencement of the AGM. Independent scrutineer was engaged to validate or verify the votes cast for or against each resolution. The results of the votes cast on the resolutions were also announced via SGXNET after the AGM.

## Corporate Governance (continued)

The minutes of the Company's general meetings are released via SGXNET and published on the Company's website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of such general meetings, and the responses to these comments or queries from the Board and Management.

### 2022 AGM and 2023 AGM

The Company held its 46<sup>th</sup> AGM ("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. Shareholders had participated in the 2022 AGM by attending the "live" audio-visual webcast or "live" audio only stream. Textual questions were submitted in advance of and "live" during the 2022 AGM. Shareholders had also appointed proxies to attend and vote on their behalf at the 2022 AGM. The Company had addressed shareholders' substantial and relevant questions submitted prior to the 2022 AGM, as well as those received "live" at the 2022 AGM, and the Company's responses were also published via SGXNET. The results of the votes casted on the resolutions as well as the name of the independent scrutineer were announced via SGXNET after the 2022 AGM.

All Directors, including the Chairman of the Board, the GCEO and the respective Chairmen of the ARC, NC and RC, senior management as well as the Company's external auditors, share registrar and independent scrutineer had attended the 2022 AGM. The minutes of the 2022 AGM which made reference to the substantial and relevant comments or queries received "live" at the 2022 AGM from shareholders relating to the agenda of the 2022 AGM and responses from the Board and Management were uploaded on SGXNET and the Company's website: <https://www.guocoland.com>.

The Company's forthcoming 47<sup>th</sup> AGM ("2023 AGM") will be held physically. The arrangements relating to attendance and voting at the 2023 AGM, appointment of proxies, submission of questions in advance of the AGM, addressing of substantial and relevant questions in advance of and at the 2023 AGM, and the access to documents are set out in the Company's Notice of AGM.

### Dividend

The Company has a Dividend Policy which aims to create long-term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities. The Dividend Policy provides for the Board to propose or declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors as the Board may deem relevant. The Board will be proposing at the 2023 AGM, the declaration of a first and final one-tier tax exempt dividend of 6 cents per ordinary share in respect of the FY2023. The proposed dividend, when approved by shareholders at the AGM, will be paid on 16 November 2023.

### **Principle 12**

#### **Engagement with Shareholders**

In compliance with the continuous disclosure obligations provided in the Listing Rules of the SGX-ST, the Company ensures timely and adequate disclosure of information on matters that may have material impact to the Group.

### Corporate Website

To enhance communication with all stakeholders on an on-going basis, the Company has established a corporate website <https://www.guocoland.com> which is indicated in the Annual Report and a web-link is provided on the SGX-ST website. Information available on the Company's website includes, *inter alia*, corporate structure and profile, development projects of the Group, financial results and publications etc.



To facilitate access to pertinent information, a dedicated “Investors & Media” section on the Company’s website serves as a repository of information for shareholders and the investment community. These include financial information, press releases, announcements, media articles, Annual Reports, Sustainability Reports, AGM related materials and Corporate Communications & Investor Relations contact.

#### Investor Relations

The Company has a Corporate Communications & Investor Relations department which facilitates communication with shareholders and the investment community. In line with the Company’s communications guidelines and policies, the Company regularly conveys to shareholders and the investment community, information on its financial performance, corporate developments and business prospects via half-yearly financial results announcements, Annual Reports, Sustainability Reports, press releases and other additional announcements uploaded onto SGXNET and the Company’s website. Relevant announcements and press releases are also disseminated to the media, analysts and subscribers to the Company’s mailing list. Investors may subscribe to the Company’s mailing list to receive the latest updates on the Group via the Company’s website.

A Corporate Communications & Investor Relations contact ([contact@guocoland.com](mailto:contact@guocoland.com)) is published on the Company’s website to facilitate two-way communication with investors. During the FY2023, the Company’s Corporate Communications & Investor Relations team attended to calls/email enquiries on the Group and had responded within 1 week.

#### Release of Financial Results

The Company reports its financial results on a half-yearly basis and will continue to comply with the continuing disclosure obligations under the Listing Manual of the SGX-ST to keep stakeholders informed of material developments relating to the Company and the Group. The Company had released its financial results through announcements, press releases and presentation to the SGX-ST. The Company’s financial results are readily available on its website.

In addition, press releases on the Company’s half-year and full-year financial results were disseminated to the media, and were accordingly uploaded on the Company’s website as well as posted on SGXNET to ensure equality of information for all stakeholders. Senior management personnel, together with the Corporate Communications & Investor Relations team carried out meetings with investors and analysts, where appropriate. As the Company embraces openness and transparency in the conduct of its affairs, it also ensures safeguarding of its commercial interest.

#### Release of Annual Report

In line with the Company’s sustainability efforts towards conservation, the Company continues to make available its Annual Report and Circular(s)/ Addendum(s) (“AGM Document”) on SGXNET and its corporate website. Shareholders may, if they prefer, request for a printed copy of the AGM Document. The Notice of AGM, Proxy Form and Request Form are also available on the Company’s website.

## **(E) MANAGING STAKEHOLDERS RELATIONSHIPS**

### **Principle 13**

#### **Engagement with Stakeholders**

The Company’s key stakeholders namely, its employees, investors, customers (tenants/shoppers/home buyers), regulators/government, and suppliers are listed in the Company’s Sustainability Report (“SR”). The SR describes, *inter alia*, the Company’s sustainability governance and practices in the Group’s business operations and management of stakeholders’ relationships. The Environmental, Social and Governance factors that are material to the Company and its stakeholders have been identified and are described in the Company’s SR. The Company’s SR for FY2023 and previous editions are available on the Company’s corporate website: <https://www.guocoland.com>.

## Corporate Governance (continued)

### (F) DEALINGS IN SECURITIES

The Company Code provides guidelines to its officers in relation to dealings in securities. These guidelines set out, *inter alia*, that officers who are Directors of the Company or its subsidiaries must give notice in writing to the Company of the particulars of any dealings in the securities of the Company within 2 business days of such dealing or of any change in such particulars of which notice had already been given.

The guidelines also provide that officers of the Group should refrain from dealing in any securities of the Company at any time when in possession of unpublished price-sensitive information in relation to those securities, and during the Company's close period which is the relevant period of time as stipulated in the Listing Manual of the SGX-ST preceding the announcement of the Company's results up to and including the date of announcement of the relevant results. Officers are also reminded to refrain from dealing in the Company's securities on short-term considerations. These guidelines are disseminated to all Directors, officers and key management personnel of the Group periodically to serve as reminder.

### (G) CODE OF CONDUCT

The Company has established a Code of Conduct which is made available for easy access in the Company's intranet. The Company's Code of Conduct provides guidance to employees' conduct in areas such as integrity in conducting business, prohibition on disclosure of confidential information relating to the Group, avoidance of conflict of interest, prohibition on accepting gifts/benefits from business associates, etc. The relevant information is presented to all new employees during the induction programme and the Company notifies employees of updates (if any).

The Board emphasises the importance of professionalism and integrity when conducting business. Employees are required to embrace and practice these values in the course of performing their duties at work, and to act in the best interest of the Group at all time.

### (H) WHISTLE-BLOWING POLICY

The Company is committed to conduct business with integrity and high standards of corporate governance and conduct as well as compliance with applicable laws and regulatory requirements. In line with this commitment, the Whistle-Blowing Policy is adopted to provide proper avenues or channels for employees and any other persons to raise or report any concerns/issues about serious wrong doings, misconduct, malpractices or improprieties in matters relating to the Group.

The Whistle-Blowing Policy sets out procedures and rules for employees and external parties to raise responsibly, in confidence, concerns about possible improprieties in the Group, without fear of undue reprisals. Whistle-blowers may raise potential issues through a dedicated secured email address or contact the ARC Chairman directly.

The ARC oversees the Whistle-Blowing Policy to ensure that arrangements are in place for independent investigation, by the Company's whistle-blowing function, on matters raised and for appropriate follow up action to be taken. The identity of the whistle-blower and person(s) being reported on are kept confidential. The Whistle-Blowing Policy also allows for concerns or irregularities expressed anonymously to be considered, taking into account the seriousness and credibility of the issues raised. The Company's Whistle-Blowing Policy is published on its website.