

**Ho Bee Land Limited and its subsidiaries**  
**Registration Number: 198702381M**

Condensed Interim Financial Statements  
For the six months ended 30 June 2023

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A. **Condensed interim consolidated income statement**

	Note	Group		Change %
		6 months ended 30 <sup>th</sup> June		
		2023 \$'000	2022 \$'000	
Revenue	3	155,467	178,270	(13)
Other income		63,056	32,818	92
Cost of sales – residential development projects		(22,719)	(40,036)	(43)
Direct rental expenses		(11,218)	(9,455)	19
Exchange differences		(8,849)	(12,008)	(26)
Staff costs & directors' remuneration		(9,997)	(9,247)	8
Other operating expenses		(5,815)	(6,401)	(9)
<b>Profit from operations before fair value changes</b>		159,925	133,941	19
Fair value changes in investment properties	7	(208,303)	15,954	NM
<b>(Loss)/profit from operating activities</b>		(48,378)	149,895	NM
<b>Net finance costs</b>		(76,262)	(33,220)	>100
Share of results, net of tax, of:				
- associates		(17,143)	16,662	NM
- jointly-controlled entities		5,495	7,790	(29)
<b>(Loss)/profit before tax</b>	4	(136,288)	141,127	NM
Income tax (expense)/credit	5	(20,024)	9,556	NM
<b>(Loss)/profit for the period</b>		(156,312)	150,683	NM
<b>Attributable to:</b>				
Owners of the Company		(155,744)	149,899	NM
Non-controlling interests		(568)	784	NM
<b>(Loss)/profit for the period</b>		(156,312)	150,683	NM
<b>(Loss)/earnings per share</b>				
Basic and diluted (loss)/earnings per share for the period (cents)	12	(23.45)	22.57	NM

NM : Not Meaningful

B. **Condensed interim consolidated statement of comprehensive income**

	Group		Change %
	6 months ended 30 <sup>th</sup> June		
	2023 \$'000	2022 \$'000	
<b>(Loss)/profit for the period</b>	(156,312)	150,683	NM
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Effective portion of changes in fair value of cash flow hedges	(1,235)	20,203	NM
Foreign currency translation differences relating to foreign operations	36,664	(42,570)	NM
Exchange differences on hedges of net investment in foreign operations	8,736	(11,910)	NM
Share of foreign currency translation differences of equity-accounted investees	(3,904)	(16,572)	(76)
<b>Other comprehensive income for the period, net of tax</b>	40,261	(50,849)	NM
<b>Total comprehensive income for the period</b>	(116,051)	99,834	NM
<b>Attributable to:</b>			
Owners of the Company	(115,141)	99,080	NM
Non-controlling interests	(910)	754	NM
<b>Total comprehensive income for the period</b>	(116,051)	99,834	NM

NM : Not Meaningful

C. **Condensed interim statements of financial position**

	Note	Group		Company	
		30.06.2023 \$'000	31.12.2022 \$'000	30.06.2023 \$'000	31.12.2022 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	6	55,758	53,748	1,316	1,909
Investment properties	7	5,726,419	5,756,115	-	-
Subsidiaries		-	-	638,931	1,469,072
Associates		42,485	108,180	7,237	7,237
Jointly-controlled entities		372,503	433,124	222,155	290,248
Other assets		150	150	-	-
Financial assets	8	71,799	64,474	67,738	60,226
Other receivables		27,484	125,559	1,854,126	1,367,226
Deferred tax assets		282	255	-	-
		<b>6,296,880</b>	<b>6,541,605</b>	<b>2,791,503</b>	<b>3,195,918</b>
<b>Current assets</b>					
Financial assets	8	2,546	17,385	2,546	17,385
Development properties	9	580,478	570,366	-	-
Trade and other receivables		204,478	144,917	241,602	79,613
Cash and cash equivalents		312,880	327,386	176,800	160,890
		<b>1,100,382</b>	<b>1,060,054</b>	<b>420,948</b>	<b>257,888</b>
<b>Total assets</b>		<b>7,397,262</b>	<b>7,601,659</b>	<b>3,212,451</b>	<b>3,453,806</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	11	156,048	156,048	156,048	156,048
Reserves		3,591,419	3,759,681	2,130,157	2,137,201
		3,747,467	3,915,729	2,286,205	2,293,249
Non-controlling interests		13,353	14,263	-	-
<b>Total equity</b>		<b>3,760,820</b>	<b>3,929,992</b>	<b>2,286,205</b>	<b>2,293,249</b>
<b>Non-current liabilities</b>					
Loans and borrowings	10	2,937,560	2,193,979	302,865	143,033
Other liabilities		19,596	27,614	11,725	27,276
Deferred income		44,166	46,525	-	-
Deferred tax liabilities		18,917	20,168	-	-
		<b>3,020,239</b>	<b>2,288,286</b>	<b>314,590</b>	<b>170,309</b>
<b>Current liabilities</b>					
Trade and other payables		158,221	108,133	578,691	44,534
Loans and borrowings	10	418,188	1,230,725	13,101	931,487
Deferred income		1,730	1,671	-	-
Current tax payable		38,064	42,852	19,864	14,227
		<b>616,203</b>	<b>1,383,381</b>	<b>611,656</b>	<b>990,248</b>
<b>Total liabilities</b>		<b>3,636,442</b>	<b>3,671,667</b>	<b>926,246</b>	<b>1,160,557</b>
<b>Total equity and liabilities</b>		<b>7,397,262</b>	<b>7,601,659</b>	<b>3,212,451</b>	<b>3,453,806</b>

D. Condensed interim statements of changes in equity

	<----- Attributable to owners of the Company ----->								
	Share Capital \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Group</b>									
<b>At 1 January 2022</b>	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651
Profit for the period	-	-	-	-	-	149,899	149,899	784	150,683
Other comprehensive income	-	-	-	20,203	(71,022)	-	(50,819)	(30)	(50,849)
<b>Total comprehensive income for the period</b>	-	-	-	20,203	(71,022)	149,899	99,080	754	99,834
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(4,350)	(4,350)
Final tax-exempt dividend paid of 10 cents per share in respect of 2021	-	-	-	-	-	(66,402)	(66,402)	-	(66,402)
<b>Total distributions to owners of the Company</b>	-	-	-	-	-	(66,402)	(66,402)	(4,350)	(70,752)
<b>At 30 June 2022</b>	<b>156,048</b>	<b>(67,796)</b>	<b>791</b>	<b>5,360</b>	<b>(63,326)</b>	<b>3,930,918</b>	<b>3,961,995</b>	<b>16,738</b>	<b>3,978,733</b>
<b>At 1 January 2023</b>	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992
Loss for the period	-	-	-	-	-	(155,744)	(155,744)	(568)	(156,312)
Other comprehensive income	-	-	-	(1,235)	41,838	-	40,603	(342)	40,261
<b>Total comprehensive income for the period</b>	-	-	-	(1,235)	41,838	(155,744)	(115,141)	(910)	(116,051)
Final tax-exempt dividend paid of 8 cents per share in respect of 2022	-	-	-	-	-	(53,121)	(53,121)	-	(53,121)
<b>Total distributions to owners of the Company</b>	-	-	-	-	-	(53,121)	(53,121)	-	(53,121)
<b>At 30 June 2023</b>	<b>156,048</b>	<b>(67,796)</b>	<b>791</b>	<b>11,065</b>	<b>(90,675)</b>	<b>3,738,034</b>	<b>3,747,467</b>	<b>13,353</b>	<b>3,760,820</b>

D. **Condensed interim statements of changes in equity (cont'd)**

<b>Company</b>	<b>Share Capital \$'000</b>	<b>Reserve for own shares \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>At 1 January 2022</b>	<b>156,048</b>	<b>(67,796)</b>	<b>1,906,105</b>	<b>1,994,357</b>
Total comprehensive income for the period	-	-	81,530	81,530
Dividend paid	-	-	(66,402)	(66,402)
<b>At 30 June 2022</b>	<b>156,048</b>	<b>(67,796)</b>	<b>1,921,233</b>	<b>2,009,485</b>
<b>At 1 January 2023</b>	<b>156,048</b>	<b>(67,796)</b>	<b>2,204,997</b>	<b>2,293,249</b>
Total comprehensive income for the period	-	-	46,077	46,077
Dividend paid	-	-	(53,121)	(53,121)
<b>At 30 June 2023</b>	<b>156,048</b>	<b>(67,796)</b>	<b>2,197,953</b>	<b>2,286,205</b>

E. **Condensed interim consolidated statement of cash flows**

	<b>Group</b>		
	<b>6 months ended 30<sup>th</sup> June</b>		
	<b>Note</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period		(156,312)	150,683
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		702	475
Gain on disposal of investment properties		(46,486)	-
Unrealised exchange differences		15,173	9,694
Interest income		(4,188)	(893)
Impairment loss/(writeback of impairment loss) on trade receivables		2	(676)
Dividend income from investment at FVTPL		(112)	(96)
Distribution income from financial assets at FVTPL		(2)	(19)
Finance costs		80,450	34,113
Fair value changes in investment properties		208,303	(15,954)
Fair value changes in financial assets at FVTPL		50	(29,321)
Share of results of associates		17,143	(16,662)
Share of results of jointly-controlled entities		(5,495)	(7,790)
Income tax expense/(credit)	5	20,024	(9,556)
		<b>129,252</b>	<b>113,998</b>
Changes in:			
Development properties		(14,638)	(268,909)
Trade and other receivables		(43,943)	3,205
Trade and other payables		32,808	4,312
Cash generated from/(used in) operations		103,479	(147,394)
Income taxes paid		(26,075)	(7,757)
<b>Net cash generated from/(used in) operating activities</b>		<b>77,404</b>	<b>(155,151)</b>



E. **Condensed interim consolidated statement of cash flows (cont'd)**

	Note	Group	
		6 months ended 30 <sup>th</sup> June	
		2023	2022
		\$'000	\$'000
<b>Cash flows from investing activities</b>			
Net cash outflow on acquisition of a subsidiary		-	(1,280,885)
Purchase of property, plant and equipment	6	(2,698)	(6,606)
Proceeds from sale of property, plant and equipment		3	-
Interest received		4,188	893
Dividends from investment at FVTPL		112	96
Dividend from associate		46,813	-
Investment in jointly-controlled entities		(7,352)	(602)
Distributions from associates (capital reduction)		-	63,618
Redemption of preference shares of jointly-controlled entity		68,093	-
Repayment from jointly-controlled entity (non-trade)		86,551	13,845
Capital expenditure on investment properties	7	(65,743)	(13,941)
Proceeds from sale of investment properties		114,386	-
Deposits for land premium		-	(2,872)
Purchase of financial assets at FVTPL		(6,074)	(1,130)
Redemption of financial assets at FVTPL		490	123,935
Distribution from financial assets at FVTPL		15,196	49,789
<b>Net cash generated from/(used in) investing activities</b>		<b>253,965</b>	<b>(1,053,860)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank loans		932,247	1,490,988
Repayment of bank loans		(1,150,299)	(187,324)
Payment of lease liability		(150)	(110)
Interest paid		(79,405)	(32,797)
Dividend paid		(53,121)	(66,402)
Dividend paid to non-controlling shareholder		-	(4,350)
<b>Net cash (used in)/generated from financing activities</b>		<b>(350,728)</b>	<b>1,200,005</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(19,359)</b>	<b>(9,006)</b>
Cash and cash equivalents at 1 January		327,386	123,415
Effect of exchange rate fluctuations on cash held		4,853	(3,595)
<b>Cash and cash equivalents at 30 June</b>		<b>312,880</b>	<b>110,814</b>

## **F. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Ho Bee Land Limited (the “Company”) is incorporated and domiciled in the Republic of Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. The address of the Company’s registered office is 9 North Buona Vista Drive, #11-01 The Metropolis Tower 1, Singapore 138588.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group” and individually as “Group entities”) and the Group’s interests in associates and jointly-controlled entities.

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

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The condensed interim financial statements are presented in Singapore dollar, the Company’s functional currency.

#### **2.1. Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards that are effective for the annual period beginning on 1 January 2023. The application of these new and amended standards did not have a material effect on the Group’s condensed interim financial statements.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

### 3. Segment and revenue information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Property development : The development and trading in properties.
- Property investment : The investment in properties.

Other segments include investing in equity securities, private equity and European property fund and notes. These segments do not meet any of the quantitative thresholds for determining reportable segments in the current period.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports reviewed by management. Segment gross profit is used to measure performance as the management believes that such information is the most relevant in evaluating the results of specific segments relative to other entities that operate within these industries.

### 3.1 Reportable segments

	Property Development \$'000	Property Investment \$'000	Others \$'000	Total \$'000
<b>6 months ended 30<sup>th</sup> June 2023</b>				
External revenue*	29,941	125,526	-	155,467
Operating results	7,222	114,308	-	121,530
Fair value changes in investment properties	-	(208,303)	-	(208,303)
Other operating income				63,056
Other operating expenses				(24,661)
<b>Loss from operating activities</b>				<b>(48,378)</b>
Net finance costs				(76,262)
Share of results of associates				(17,143)
Share of results of jointly-controlled entities				5,495
Income tax expense				(20,024)
<b>Loss for the period</b>				<b>(156,312)</b>
Other material items:				
Capital expenditure	-	65,743	-	65,743
Reportable segment assets	602,363	5,834,706	74,345	6,511,414
Investments in associates and jointly-controlled entities**	439,896	-	-	439,896
Reportable segment liabilities	162,575	3,273,145	-	3,435,720
<b>6 months ended 30<sup>th</sup> June 2022</b>				
External revenue*	49,624	128,646	-	178,270
Operating results	9,588	119,191	-	128,779
Fair value changes in investment properties	-	15,954	-	15,954
Other operating income				32,818
Other operating expenses				(27,656)
<b>Profit from operating activities</b>				<b>149,895</b>
Net finance costs				(33,220)
Share of results of associates				16,662
Share of results of jointly-controlled entities				7,790
Income tax credit				9,556
<b>Profit for the period</b>				<b>150,683</b>
Other material items:				
Additions/capital expenditure	-	1,319,265	-	1,319,265
Reportable segment assets	670,422	6,082,516	79,382	6,832,320
Investments in associates and jointly-controlled entities**	748,560	-	-	748,560
Reportable segment liabilities	170,623	3,508,224	-	3,678,847

\* There is no inter-segment revenue.

\*\* Include amounts due from jointly-controlled entities which are, in substance, a part of the Group's investments in the jointly-controlled entities.

### 3.2 Disaggregation of revenue

The Group operates principally in Singapore, the United Kingdom, Australia and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the business.

	Singapore \$'000	United Kingdom \$'000	Australia \$'000	China \$'000	Total \$'000
<b>6 months ended 30<sup>th</sup> June 2023</b>					
Sale of development properties, transferred at a point in time	50	-	29,891	-	29,941
Rental income and service charges	52,352	73,148	26	-	125,526
<b>Total revenue</b>	<b>52,402</b>	<b>73,148</b>	<b>29,917</b>	<b>-</b>	<b>155,467</b>
<b>6 months ended 30<sup>th</sup> June 2022</b>					
Sale of development properties, transferred at a point in time	32,648	-	13,143	3,833	49,624
Rental income and service charges	50,434	78,023	189	-	128,646
<b>Total revenue</b>	<b>83,082</b>	<b>78,023</b>	<b>13,332</b>	<b>3,833</b>	<b>178,270</b>

### 4. (Loss)/profit before taxation

The following significant items have been included in arriving at (loss)/profit before taxation:

	<b>Group</b>	
	<b>6 months ended 30<sup>th</sup> June</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other income</b>		
Income from property management services	746	579
Fair value changes in financial assets at FVTPL	(50)	29,321
Gain on disposal of investment properties	46,486	-
Surrender premium received from tenant	8,929	-
<b>Other operating expenses</b>		
Depreciation of property, plant and equipment and right-of-use assets	(702)	(475)
(Impairment loss)/writeback of impairment loss on trade receivables	(2)	676
<b>Net finance costs</b>		
Interest income	4,188	893
Interest expense	(80,450)	(34,113)

## 5. Income tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	<b>Group</b>	
	<b>6 months ended 30<sup>th</sup> June</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>		
Current period	11,138	25,745
Under/(over) provision in respect of prior years	5,463	(33,795)
	<u>16,601</u>	<u>(8,050)</u>
<b>Deferred tax expense</b>		
Movements in temporary differences	(5,025)	2,869
Under/(over) provision in respect of prior years	3,131	(4,818)
	<u>(1,894)</u>	<u>(1,949)</u>
Withholding taxes	5,317	443
<b>Total income tax expense/(credit)</b>	<u>20,024</u>	<u>(9,556)</u>

## 6. Property, plant and equipment

During the 6-month period ended 30 June 2023, the Group acquired assets amounting to \$2,698,000 (31 December 2022: \$10,144,000) and disposed of assets amounting to \$3,000 (31 December 2022: \$184,000).

## 7. Investment properties

	Group	
	2023	2022
	\$'000	\$'000
<b>Freehold properties</b>		
At 1 January	3,214,717	2,511,220
Addition	-	1,305,324
Disposals	(67,900)	-
Fair value changes	(207,056)	(189,541)
Exchange differences	177,070	(412,286)
At 30 June/31 December	<u>3,116,831</u>	<u>3,214,717</u>
<b>Leasehold properties</b>		
At 1 January	2,541,398	2,441,773
Capital expenditure	65,743	31,318
Disposal	-	(13,600)
Fair value changes	(1,247)	90,792
Exchange differences	3,694	(8,885)
At 30 June/31 December	<u>2,609,588</u>	<u>2,541,398</u>
<b>Total investment properties at 30 June/31 December</b>	<u><u>5,726,419</u></u>	<u><u>5,756,115</u></u>
Comprising:		
- Completed investment properties	5,380,065	5,477,722
- Investment property under development	346,354	278,393
	<u><u>5,726,419</u></u>	<u><u>5,756,115</u></u>

Investment properties comprise several commercial properties leased to third-party tenants and those under development. Investment properties are stated at fair value. External, independent valuation companies value the Group's investment property portfolio annually at the end of each financial year. These valuers have the appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The carrying value of the investment properties as at 31 December 2022 was based on valuations conducted by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd, Cushman & Wakefield Debenham Tie Leung Limited, and Knight Frank LLP. The valuers have considered valuation techniques including the market comparison method, the income capitalisation method and the residual value method in arriving at the open market value as at the reporting date.

The fair values of Investment properties as at 30 June 2023 are based on 31 December 2022 valuations, adjusted for capital expenditure capitalised in the current period, and management's assessment of the valuation of the investment properties in consultation with external valuers, using consistent valuation techniques as at 31 December 2022. In making this assessment, management has considered whether there were significant changes in the operating performance of the properties and market inputs, such as capitalisation rates or transacted prices, since the last independent valuations as at 31 December 2022. The most significant input into the valuation techniques was the capitalisation rate of 3.5% to 5.0% (31 December 2022: 3.5% to 5.0%) for Singapore properties and 4.7% to 8.5% (31 December 2022: 4.2% to 7.7%) for London properties. Accordingly, the Group recognised a fair value loss of \$208,303,000 on its investment portfolio for the 6-month period ended 30 June 2023.

As at 30 June 2023, commitments for capital expenditure in respect of investment property under development amounted to \$118,436,000 (31 December 2022: \$142,488,000).

## 8. Financial instruments

### Estimation of fair values for financial assets and liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	FVOCI - equity instruments \$'000	Fair value - hedging instruments \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
<b>Group</b>						
<b>30 June 2023</b>						
Trade and other receivables*	210,554	-	-	11,065	-	221,619
Financial assets at FVOCI	-	-	78	-	-	78
Financial assets at FVTPL	-	74,267	-	-	-	74,267
Cash and cash equivalents	312,880	-	-	-	-	312,880
Loans and borrowings	-	-	-	-	(3,355,748)	(3,355,748)
Trade and other payables**	-	-	-	-	(170,374)	(170,374)
	<u>523,434</u>	<u>74,267</u>	<u>78</u>	<u>11,065</u>	<u>(3,526,122)</u>	<u>(2,917,278)</u>
<b>31 December 2022</b>						
Trade and other receivables*	250,522	-	-	12,300	-	262,822
Financial assets at FVOCI	-	-	78	-	-	78
Financial assets at FVTPL	-	81,781	-	-	-	81,781
Cash and cash equivalents	327,386	-	-	-	-	327,386
Loans and borrowings	-	-	-	-	(3,424,704)	(3,424,704)
Trade and other payables**	-	-	-	-	(128,163)	(128,163)
	<u>577,908</u>	<u>81,781</u>	<u>78</u>	<u>12,300</u>	<u>(3,552,867)</u>	<u>(2,880,800)</u>

\* Excludes prepayments, tax recoverable and goods and services tax recoverable.

\*\* Excludes goods and services tax payable and sale deposits.



## 8. Financial instruments (cont'd)

	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
<b>Company</b>				
<b>30 June 2023</b>				
Trade and other receivables*	2,095,542	-	-	2,095,542
Financial assets at FVTPL	-	70,284	-	70,284
Cash and cash equivalents	176,800	-	-	176,800
Loans and borrowings	-	-	(315,966)	(315,966)
Trade and other payables**	-	-	(578,388)	(578,388)
	<u>2,272,342</u>	<u>70,284</u>	<u>(894,354)</u>	<u>1,448,272</u>
<b>31 December 2022</b>				
Trade and other receivables*	1,446,670	-	-	1,446,670
Financial assets at FVTPL	-	77,611	-	77,611
Cash and cash equivalents	160,890	-	-	160,890
Loans and borrowings	-	-	(1,074,520)	(1,074,520)
Trade and other payables**	-	-	(71,537)	(71,537)
	<u>1,607,560</u>	<u>77,611</u>	<u>(1,146,057)</u>	<u>539,114</u>

\* Excludes prepayments.

\*\* Excludes goods and services tax payable.

### *Fair values versus carrying amounts*

The carrying amounts of the Group's and the Company's financial instruments carried at amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022. Fair value disclosure of lease liabilities is not required.

The Group's and the Company's financial assets at FVTPL comprise investments in quoted equity securities, private equity funds, property funds and debt instruments. Refer to 'fair value hierarchy' for the methods and significant assumptions used in estimating the fair values of these investments.

## 8. Financial instruments (cont'd)

### *Fair value hierarchy*

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets carried at fair value</b>				
<b>Group</b>				
<b>30 June 2023</b>				
Financial assets at FVTPL	3,982	-	70,285	74,267
Financial assets at FVOCI	-	-	78	78
Interest rate swaps used for hedging	-	11,065	-	11,065
	3,982	11,065	70,363	85,410
<b>31 December 2022</b>				
Financial assets at FVTPL	4,089	-	77,692	81,781
Financial assets at FVOCI	-	-	78	78
Interest rate swaps used for hedging	-	12,300	-	12,300
	4,089	12,300	77,770	94,159

### **Level 2 fair values – Interest rate swaps**

The Group entered into interest rate swaps to hedge its interest rate exposure on its variable rate borrowings. Based on broker quotes, the interest rate swaps are carried at fair value at each reporting date. Similar contracts are traded in an active market, and the quotes reflect the actual transactions in similar instruments. There are no significant unobservable inputs in measuring the fair value.

### **Level 3 fair values – Financial assets at FVTPL**

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of property funds and debt instruments (notes) are determined based on the latest available net asset value ("NAV") of the funds and notes obtained from the investment property/fund manager. The underlying assets of the property funds and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

Due to the inherent uncertainty of valuations of financial assets, the estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

## 9. Development properties

	Group	
	30.06.2023 \$'000	31.12.2022 \$'000
<i>Properties for which revenue is to be recognised at a point in time</i>		
Properties held for sale	79,083	77,378
Properties under development	501,916	493,482
	<u>580,999</u>	<u>570,860</u>
Allowance for foreseeable losses	(521)	(494)
Total development properties	<u>580,478</u>	<u>570,366</u>

Movements in allowance for foreseeable losses are as follows:

	Group	
	6 months ended 30 <sup>th</sup> Jun 2023 \$'000	Full year ended 31 <sup>st</sup> Dec 2022 \$'000
At 1 January	(494)	(551)
Exchange differences	(27)	57
At 30 June/31 December	<u>(521)</u>	<u>(494)</u>

During the 6-month period ended 30 June 2023, no allowance for foreseeable losses has been made in respect of the Group's development properties.

## 10. Loans and borrowings

	Group		Company	
	30.06.2023 \$'000	31.12.2022 \$'000	30.06.2023 \$'000	31.12.2022 \$'000
<b>Non-current liabilities</b>				
Secured bank loans	2,937,030	2,193,486	302,865	143,033
Lease liabilities	530	493	-	-
	<u>2,937,560</u>	<u>2,193,979</u>	<u>302,865</u>	<u>143,033</u>
<b>Current liabilities</b>				
Secured bank loans	417,920	1,230,498	12,704	930,515
Lease liabilities	268	227	397	972
	<u>418,188</u>	<u>1,230,725</u>	<u>13,101</u>	<u>931,487</u>
	<u>3,355,748</u>	<u>3,424,704</u>	<u>315,966</u>	<u>1,074,520</u>

The bank loans are secured over certain investment properties and development properties of the Group. In addition, the Group's bank loans are secured by the legal assignment of sales and rental proceeds of the properties pledged.

## 11. Share capital

	30.06.2023		31.12.2022	
	No. of Shares	\$'000	No. of Shares	\$'000
At 1 January	703,338,000	156,048	703,338,000	156,048
At 30 June/31 December	703,338,000	156,048	703,338,000	156,048

The Company held 39,321,600 treasury shares as at 30 June 2023 (31 December 2022: 39,321,600). There was no sale, transfer, cancellation and/or use of treasury shares for the period ended 30 June 2023.

No subsidiary companies held shares in the Company as at 30 June 2023 and 31 December 2022. There was no allotment or transfer of shares in the Company to its subsidiaries for the 6-month period ended 30 June 2023.

## 12. (Loss)/earnings per share

	6 months ended 30 <sup>th</sup> June	
	2023	2022
(Loss)/profit attributable to owners of the Company (\$'000)	(155,744)	149,899
Weighted average number of ordinary shares (excluding treasury shares)	664,016,400	664,016,400
Basic and diluted (loss)/earnings per share for the period (cents)	(23.45)	22.57

Basic and diluted (loss)/earnings per share were computed using the (loss)/profit attributable to owners of the Company and the weighted average number of ordinary shares as disclosed above for each period.

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there are no dilutive instruments in issue for each period.

## 13. Net asset value

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Net assets after adjusting for non-controlling interests (\$'000)	3,747,467	3,915,729	2,286,205	2,293,249
Ordinary shares at end of period/year (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Net asset value per ordinary share	\$5.64	\$5.90	\$3.44	\$3.45

## 14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## **G Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Ho Bee Land Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6-month period then ended, and certain explanatory notes have not been audited or reviewed.

### **2. Performance Review for the Group**

#### **(i) Consolidated income statement**

##### **1H2023 vs 1H2022**

The Group's revenue for 1H2023 declined by 13% to \$155.5 million (1H2022: \$178.3 million).

Development property sales were lower by 40% at \$29.9 million (1H2022: \$49.6 million), mainly due to lower sales recognition in Turquoise in Sentosa Cove.

Other income increased 92% to \$63.1 million (1H2022: \$32.8 million), mainly attributable to a \$46.5 million disposal gain on HB Centre 1 and 2 in Singapore.

The Group recorded a fair value loss on investment properties of \$208.3 million for 1H2023 compared to a net fair value gain of \$16.0 million in 1H2022. The fair value loss relates to the Group's portfolio in London primarily due to higher capitalisation rates adopted for the valuation.

The cost of sales for residential development projects decreased by 43% to \$22.7 million (1H2022: \$40.0 million), in line with the lower sales.

Overall, the loss from operating activities was \$48.4 million compared to a profit of \$149.9 million in 1H2022. Excluding fair value changes in investment properties, profit from operations would have increased 19% to \$159.9 million in 1H2023 (1H2022: \$133.9 million).

Net finance costs increased to \$76.3 million (1H2022: \$33.2 million), mainly due to rising interest rates and new bank borrowings to fund the acquisition of The Scalpel and the development projects in Australia.

Share of results of the China associates was a loss of \$17.1 million compared to a profit of \$16.7 million in 1H2022, mainly due to provisions made for foreseeable losses on the Tianjin project.

Share of profits of jointly-controlled entities decreased 29% to \$5.5 million (1H2022: \$7.8 million) mainly due to lower sales recognition from Seascope in Sentosa Cove and the Tangshan project.

An income tax expense of \$20.0 million was recorded in 1H2023. The net tax credit of \$9.6 million in 1H2022 was due to a write-back of \$38.6 million over provision in respect of prior years.

Consequently, the loss attributable to owners of the Company was \$155.7 million compared to a profit of \$149.9 million in 1H2022. This translates to a loss per share of 23.45 cents (1H2022: earnings per share of 22.57 cents).

## 2. Performance Review for the Group (cont'd)

### (i) Consolidated statement of financial position

#### 30 June 2023 vs 31 December 2022

Total equity decreased by \$169.2 million to \$3.8 billion as of 30 June 2023 (31 December 2022: \$3.9 billion). The decrease was due to the loss recorded for the period, coupled with a dividend payment of \$53.1 million in May 2023, partially offset by an exchange translation gain of \$41.5 million arising mainly from the appreciation of GBP against SGD during the period.

Total assets decreased by \$204.4 million to \$7.4 billion as of 30 June 2023, mainly attributable to the decrease in investment properties, interests in associates and jointly-controlled entities, and receivables.

Investment properties decreased by \$29.7 million, attributable primarily to a \$208.3 million fair value loss on London properties and the disposal of HB Centre 1 and 2. The decrease was partially offset by exchange differences of \$180.8 million due to the appreciation of the GBP against SGD and capitalisation of \$65.7 million in development costs incurred for the construction of Elementum.

Interest in associates decreased by \$65.7 million, mainly attributable to dividends from the Shanghai and Zhuhai projects, coupled with the Group's share of loss from the China associates.

Interest in jointly-controlled entities decreased by \$60.6 million, mainly due to the redemption of preference shares of a jointly-controlled entity in Singapore.

Total liabilities decreased by \$35.2 million to \$3.64 billion as of 30 June 2023, mainly attributable to a net decrease in loans and borrowings, partially offset by increased payables.

Bank borrowings decreased by \$69.0 million due to loan repayments net of new drawdowns, offset partially by the unfavourable exchange rate movement on GBP-denominated bank loans.

Payables increased by \$50.1 million primarily due to accruals made for Elementum's construction costs.

Total shareholders' fund as at 30 June 2023 amounted to \$3.75 billion (31 December 2022: \$3.92 billion), representing a net asset value of \$5.64 per share (31 December 2022: \$5.90 per share).

## 3. Variance between Actual Results for the current period and prospect statement previously disclosed

Not applicable.

## 4. Commentary on the Group Prospects

Rapidly rising interest rates and declines in portfolio valuations have affected real estate companies globally. The Group is also impacted negatively, but with its diversified investment and development portfolio, the Group is well positioned to navigate these headwinds.

The occupancy rate of the Group's commercial portfolio is above 95%. The Group's Sentosa Cove projects generated \$285 million in sales this half-year. Meanwhile, the Group is on track to complete Elementum, its biomedical development at one-north, in the last quarter of this year. The building is approximately 90% pre-committed and is expected to contribute to the Group's revenue in FY2024.

Going forward, the market condition is expected to remain challenging. The Group will continue to be prudent and disciplined under these circumstances.

**5. Dividend**

**(a) Current financial period reported on**

Any dividend recommended for the current financial period reported on? No

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommended for the half year ended 30 June 2023. The Company's policy is to only consider a final dividend at the end of the financial year.

**7. Interested Person Transactions**

The Company does not have a shareholders' mandate for interested person transactions.

**8. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**9. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the 6-month period ended 30 June 2023, to be false or misleading in any material aspect.

**By Order of the Board**

Nicholas Chua  
Executive Director  
Chief Executive Officer

10 August 2023