

ANNOUNCEMENT

**RESPONSE TO SINGAPORE EXCHANGE REGULATION'S QUERIES ON RESULTS
ANNOUNCEMENT FOR FINANCIAL YEAR 2022**

The Board of Directors of Ho Bee Land Limited (the "**Company**") and together with its subsidiaries (the "**Group**") wishes to announce the following in response to the queries raised by Singapore Exchange Regulation ("**SGX RegCo**") on the Group's Condensed Interim Financial Statements for the second half and financial year ended 31 December 2022.

SGX RegCo's query 1

The Group recorded S\$125.5 million in non-current other receivables as at 31 December 2022. Please disclose:

- (i) the breakdown of the Group's non-current other receivables;**
- (ii) the nature of the non-current other receivables; and**
- (iii) the Board's assessment of the recoverability of the non-current other receivables.**

Company's response to query 1

- (i) The Group's non-current other receivables for FY 2022 comprise a) Other receivables of \$734,000; b) Prepayments of \$386,000; and c) Amounts due from jointly-controlled entities (non- trade) of \$124,439,000.
- (ii) Non-current other receivables comprise mainly of amounts due from jointly-controlled entities, which are unsecured and have no fixed terms of repayment.
- (iii) Management has assessed the recoverability and risk of impairment of the non-current other receivables by reviewing the financial statements of the jointly-controlled entities. The jointly-controlled entities are property development companies that are income-generating and cash-generating. Management is of the opinion that the amounts are recoverable.

The Board concurred with Management's assessment of the recoverability of the non-current other receivables.

SGX RegCo's query 2

Given the Group's significant current liabilities of S\$1.38 billion, and cash and bank balance of only S\$327.4 million as of 31 December 2022, please disclose:

- (i) the Board's assessment of whether the Company's current assets are adequate to meet the Company's short-term debt of S\$1.23 billion, including its basis of assessment; and**
- (ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.**

Company's response to query 2

- (i) The Board agreed with Management's assessment that the Group will be able to meet its obligations, including short-term debt of S\$1.23 billion, that are due within the next 12 months. The basis of the Management's assessment is explained in part (ii) below.
- (ii) The main contributors to the Company's short-term debt of S\$1.23 billion are: (a) bridging loans amounting to S\$930.8 million that were used to pay for the acquisition of The Scalpel in FY2022; and (b) S\$94.5 million of a term loan that was due within 12 months from 31 December 2022.

As of today, the Group is at the stage of finalizing the loan documents for a S\$810 million term loan and the loan proceeds will be utilized for the repayment of the bridging loans. The refinancing of the S\$94.5 million term loan is expected to be completed in 1H2023.

Coupled with the Group's cash balance of S\$327.4 million and undrawn committed revolving credit facilities as of 31 December 2022, the estimated positive cash flows from the Group's operations and the expected capital distributions from the Group's associates in China in FY2023, the Management assessed that the Group will be able to meet its obligations that are due within the next 12 months.

SGX RegCo's query 3

Please provide a reconciliation of the changes in the loans and borrowings of the Group from FY2021 to FY2022 in the balance sheet against the cash flow statement of the Group.

Company's response to query 3

Reconciliation of the movements in the loans and borrowings of the Group is as follows:

	Secured bank loans \$'000	Lease liabilities \$'000	Total \$'000
Balance as of 1 January 2022	2,545,336	423	2,545,759
<u>Changes from financing cash flows:</u>			
Proceeds from bank loans	1,640,883	–	1,640,883
Repayment of bank loans and lease liabilities	(418,327)	(216)	(418,543)
Interest paid	(88,745)	(14)	(88,759)
	1,133,811	(230)	1,133,581
Exchange differences	(346,654)	(64)	(346,718)
<u>Liability-related other changes:</u>			
Lease liabilities recognised	–	577	577
Interest expense	91,491	14	91,505
	91,491	591	92,082
Balance as of 31 December 2022	<u>3,423,984</u>	<u>720</u>	<u>3,424,704</u>

By Order of the Board
Nicholas Chua
Executive Director
Chief Executive Officer

10 March 2023