

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

Condensed Interim Financial Statements
For the Second Half and Financial Year ended
31 December 2023

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A. **Condensed interim consolidated income statement**

	Note	Group			Group		
		6 months ended		Change	Full year ended		Change
		31st December			31st December		
2023	2022	%	2023	2022	%		
		\$'000	\$'000		\$'000	\$'000	
Revenue	3	289,403	257,352	12	444,870	435,622	2
Other (losses)/gains		(10,345)	6,360	NM	52,711	39,178	35
Cost of sales – residential development projects		(115,205)	(86,560)	33	(137,924)	(126,596)	9
Direct rental expenses		(11,216)	(10,387)	8	(22,434)	(19,842)	13
Exchange differences		1,472	(6,405)	NM	(7,377)	(18,413)	(60)
Staff costs & directors' remuneration	4	(6,081)	(2,743)	>100	(16,078)	(11,990)	34
Other operating expenses		(7,030)	(5,579)	26	(12,845)	(11,980)	7
Net finance costs		(81,442)	(54,799)	49	(157,704)	(88,019)	79
Profit from operating activities		<u>59,556</u>	<u>97,239</u>	(39)	<u>143,219</u>	<u>197,960</u>	(28)
Share of results, net of tax, of:							
- associates		6,913	16,049	(57)	(10,230)	32,711	NM
- jointly-controlled entities		<u>6,868</u>	<u>38,197</u>	(82)	<u>12,363</u>	<u>45,987</u>	(73)
Profit before fair value and tax		<u>73,337</u>	<u>151,485</u>	(52)	<u>145,352</u>	<u>276,658</u>	(47)
Fair value changes in investment properties	8	(155,618)	(114,703)	36	(363,921)	(98,749)	>100
(Loss)/profit before tax	5	<u>(82,281)</u>	<u>36,782</u>	NM	<u>(218,569)</u>	<u>177,909</u>	NM
Income tax expense	6	(20,444)	(20,359)	-*	(40,468)	(10,803)	>100
(Loss)/profit for the period/year		<u>(102,725)</u>	<u>16,423</u>	NM	<u>(259,037)</u>	<u>167,106</u>	NM
Attributable to:							
Owners of the Company		(104,101)	15,981	NM	(259,845)	165,880	NM
Non-controlling interests		<u>1,376</u>	<u>442</u>	>100	<u>808</u>	<u>1,226</u>	(34)
(Loss)/profit for the period/year		<u>(102,725)</u>	<u>16,423</u>	NM	<u>(259,037)</u>	<u>167,106</u>	NM
(Loss)/earnings per share							
Basic and diluted (loss)/earnings per share for the period/year (cents)	13	(15.68)	2.41	NM	(39.13)	24.98	NM

NM: Not meaningful

-*: Less than 1%

B. Condensed interim consolidated statement of comprehensive income

	Group			Group		
	6 months ended 31st December		Change %	Full year ended 31st December		Change %
	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
(Loss)/profit for the period/year	<u>(102,725)</u>	<u>16,423</u>	NM	<u>(259,037)</u>	<u>167,106</u>	NM
Items that are or may be reclassified subsequently to profit or loss:						
Effective portion of fair value changes in cash flow hedges	(20,410)	6,940	NM	(21,645)	27,143	NM
Foreign currency translation differences relating to foreign operations	(11,897)	(19,658)	(39)	24,767	(62,228)	NM
Exchange differences on hedges of net investment in foreign operations	(14,514)	(26,722)	(46)	(5,778)	(38,632)	(85)
Share of foreign currency translation differences of equity-accounted investees	<u>(619)</u>	<u>(23,524)</u>	(97)	<u>(4,523)</u>	<u>(40,096)</u>	(89)
Other comprehensive income for the period/year, net of tax	<u>(47,440)</u>	<u>(62,964)</u>	(25)	<u>(7,179)</u>	<u>(113,813)</u>	(94)
Total comprehensive income for the period/year	<u>(150,165)</u>	<u>(46,541)</u>	>100	<u>(266,216)</u>	<u>53,293</u>	NM
Attributable to:						
Owners of the Company	(151,500)	(46,266)	>100	(266,641)	52,814	NM
Non-controlling interests	<u>1,335</u>	<u>(275)</u>	NM	<u>425</u>	<u>479</u>	(11)
Total comprehensive income for the period/year	<u>(150,165)</u>	<u>(46,541)</u>	>100	<u>(266,216)</u>	<u>53,293</u>	NM

NM: Not meaningful

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

	Note	Group		Company	
		31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
Non-current assets					
Property, plant and equipment	7	55,772	53,748	1,569	1,909
Investment properties	8	5,607,769	5,756,115	-	-
Subsidiaries		-	-	522,974	1,469,072
Associates		53,902	108,180	4,136	7,237
Jointly-controlled entities		379,392	433,124	222,155	290,248
Other assets		150	150	-	-
Financial assets		64,609	64,474	59,164	60,226
Other receivables		38,826	125,559	1,902,668	1,367,226
Deferred tax assets		532	255	-	-
		6,200,952	6,541,605	2,712,666	3,195,918
Current assets					
Financial assets		2,524	17,385	2,524	17,385
Development properties	10	516,114	570,366	-	-
Trade and other receivables, including derivatives		83,715	144,917	50,982	79,613
Cash and cash equivalents		172,677	327,386	22,644	160,890
		775,030	1,060,054	76,150	257,888
Total assets		6,975,982	7,601,659	2,788,816	3,453,806
Equity attributable to equity holders of the Company					
Share capital	12	156,048	156,048	156,048	156,048
Reserves		3,439,919	3,759,681	1,967,858	2,137,201
		3,595,967	3,915,729	2,123,906	2,293,249
Non-controlling interests		14,088	14,263	-	-
Total equity		3,610,055	3,929,992	2,123,906	2,293,249
Non-current liabilities					
Loans and borrowings	11	2,585,013	2,193,979	261,338	143,033
Other liabilities		32,291	27,614	5,024	27,276
Deferred income		41,853	46,525	-	-
Deferred tax liabilities		12,263	20,168	-	-
		2,671,420	2,288,286	266,362	170,309
Current liabilities					
Trade and other payables, including derivatives		164,061	108,133	366,311	44,534
Loans and borrowings	11	479,671	1,230,725	12,390	931,487
Deferred income		2,001	1,671	-	-
Current tax payable		48,774	42,852	19,847	14,227
		694,507	1,383,381	398,548	990,248
Total liabilities		3,365,927	3,671,667	664,910	1,160,557
Total equity and liabilities		6,975,982	7,601,659	2,788,816	3,453,806

D. Condensed interim statements of changes in equity

	←----- Attributable to owners of the Company ----->								
	Share Capital	Reserve for own shares	Capital reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group									
At 1 January 2022	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651
Profit for the year	-	-	-	-	-	165,880	165,880	1,226	167,106
Other comprehensive income	-	-	-	27,143	(140,209)	-	(113,066)	(747)	(113,813)
Total comprehensive income for the year	-	-	-	27,143	(140,209)	165,880	52,814	479	53,293
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(6,550)	(6,550)
Final tax-exempt dividend paid of 10 cents per share in respect of 2021	-	-	-	-	-	(66,402)	(66,402)	-	(66,402)
Total distributions to owners of the Company	-	-	-	-	-	(66,402)	(66,402)	(6,550)	(72,952)
At 31 December 2022	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992
At 1 January 2023	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992
Loss for the year	-	-	-	-	-	(259,845)	(259,845)	808	(259,037)
Other comprehensive income	-	-	-	(21,645)	14,849	-	(6,796)	(383)	(7,179)
Total comprehensive income for the year	-	-	-	(21,645)	14,849	(259,845)	(266,641)	425	(266,216)
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(600)	(600)
Final tax-exempt dividend paid of 8 cents per share in respect of 2022	-	-	-	-	-	(53,121)	(53,121)	-	(53,121)
Total distributions to owners of the Company	-	-	-	-	-	(53,121)	(53,121)	(600)	(53,721)
At 31 December 2023	156,048	(67,796)	791	(9,345)	(117,664)	3,633,933	3,595,967	14,088	3,610,055

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

Company	Share Capital \$'000	Reserve for own shares \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2022	156,048	(67,796)	-	1,906,105	1,994,357
Total comprehensive income for the year	-	-	-	365,294	365,294
Dividend paid	-	-	-	(66,402)	(66,402)
At 31 December 2022	156,048	(67,796)	-	2,204,997	2,293,249
At 1 January 2023	156,048	(67,796)	-	2,204,997	2,293,249
Total comprehensive income for the year	-	-	(2,931)	(113,291)	(116,222)
Dividend paid	-	-	-	(53,121)	(53,121)
At 31 December 2023	156,048	(67,796)	(2,931)	2,038,585	2,123,906

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

	Note	Group		Group	
		6 months ended		Full year ended	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
(Loss)/profit for the period/year		(102,725)	16,423	(259,037)	167,106
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		538	522	1,240	997
Gain on disposal of investment properties		6	(2,806)	(46,480)	(2,806)
(Gain)/loss on disposal of property, plant and equipment		(198)	2	(198)	2
Unrealised exchange differences		23,515	12,662	38,688	22,356
Interest income		(5,732)	(2,593)	(9,920)	(3,486)
(Writeback of impairment loss)/impairment loss on trade receivables		-	(9)	2	(685)
Write-down of properties held for sale to net realisable values		692	-	692	-
Dividend income from investment at FVTPL		-	(71)	(112)	(167)
Distribution income from financial assets at FVTPL		-	(54)	(2)	(73)
Finance costs		87,174	57,392	167,624	91,505
Fair value changes in investment properties		155,618	114,703	363,921	98,749
Fair value changes in financial assets at FVTPL		12,913	2,035	12,963	(27,286)
Share of results of associates		(6,913)	(16,049)	10,230	(32,711)
Share of results of jointly-controlled entities		(6,868)	(38,197)	(12,363)	(45,987)
Income tax expense	6	20,444	20,359	40,468	10,803
		178,464	164,319	307,716	278,317
Changes in:					
Development properties		65,698	31,718	51,060	(237,191)
Trade and other receivables		98,415	(6,727)	54,472	(3,522)
Trade and other payables		(25,292)	45,141	7,516	49,453
Cash generated from operations		317,285	234,451	420,764	87,057
Income taxes paid		(14,210)	(22,209)	(40,285)	(29,966)
Net cash generated from operating activities		303,075	212,242	380,479	57,091

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

	Note	Group		Group	
		6 months ended		Full year ended	
		31st December		31st December	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities					
Net cash outflow on acquisition					
of a subsidiary		-	(2,828)	-	(1,283,713)
Purchase of property, plant	7	(878)	(3,538)	(3,576)	(10,144)
and equipment					
Proceeds from sale of property, plant		500	182	503	182
and equipment					
Interest received		5,217	1,552	9,405	2,445
Dividends from investment at FVTPL		-	71	112	167
Dividend from associate		-	77,137	46,813	77,137
Investment in jointly-controlled entities		(893)	(777)	(8,245)	(1,379)
Distributions from associates					
(capital reduction)		-	59,142	-	122,760
Redemption of preference shares					
of jointly-controlled entity		-	-	68,093	-
Repayment from jointly-controlled entity					
(non-trade)		(2,257)	35,744	84,294	49,589
Capital expenditure on investment	8	(99,337)	(17,377)	(165,080)	(31,318)
properties					
Proceeds from sale of investment properties		(6)	16,406	114,380	16,406
Deposits for land premium		-	2,872	-	-
Purchase of financial assets at FVTPL		(6,345)	(5,811)	(12,419)	(6,941)
Redemption of financial assets at FVTPL		-	-	490	123,935
Distribution from financial assets at FVTPL		81	111	15,277	49,900
Net cash (used in)/generated from					
investing activities		(103,918)	162,886	150,047	(890,974)
Cash flows from financing activities					
Proceeds from bank loans		49,612	149,895	981,859	1,640,883
Repayment of bank loans		(300,707)	(231,003)	(1,451,006)	(418,327)
Payment of lease liability		(162)	(106)	(312)	(216)
Interest paid		(86,384)	(55,962)	(165,789)	(88,759)
Dividend paid		-	-	(53,121)	(66,402)
Dividend paid to non-controlling shareholder		(600)	(2,200)	(600)	(6,550)
Repayment to non-controlling shareholder		-	(14,785)	-	(14,785)
Net cash (used in)/generated from					
financing activities		(338,241)	(154,161)	(688,969)	1,045,844
Net (decrease)/increase in cash					
and cash equivalents		(139,084)	220,967	(158,443)	211,961
Cash and cash equivalents at 1 July/1 January		312,880	110,814	327,386	123,415
Effect of exchange rate fluctuations					
on cash held		(1,119)	(4,395)	3,734	(7,990)
Cash and cash equivalents at 31 December		172,677	327,386	172,677	327,386

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 31 December 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 31 December 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 interim financial statements for the period ended 30 June 2023.

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 presented. Performance is measured based on segment operating results, as included in the internal management reports reviewed by management. Segment operating results are 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
6 months ended 31st December 2023				
External revenue	159,131	130,272	-	289,403
Operating results	43,926	119,056	-	162,982
Other losses				(10,345)
Other operating expenses				(11,639)
Net finance costs				(81,442)
Profit from operating activities				59,556
Share of results of associates	6,913	-	-	6,913
Share of results of jointly-controlled entities	6,868	-	-	6,868
Fair value changes in investment properties	-	(155,618)	-	(155,618)
Income tax expense				(20,444)
Loss for the period				(102,725)
Other material item:				
Capital expenditure	-	99,337	-	99,337
Reportable segment assets	531,145	5,725,662	67,133	6,323,940
Investments in associates and jointly-controlled entities*	490,595	-	-	490,595
Reportable segment liabilities	138,450	3,008,249	-	3,146,699
6 months ended 31st December 2022				
External revenue	126,316	131,036	-	257,352
Operating results	40,426	119,979	-	160,405
Other gains				6,360
Other operating expenses				(14,727)
Net finance costs				(54,799)
Profit from operating activities				97,239
Share of results of associates	16,049	-	-	16,049
Share of results of jointly-controlled entities	38,197	-	-	38,197
Fair value changes in investment properties	-	(114,703)	-	(114,703)
Income tax expense				(20,359)
Profit for the period				16,423
Other material item:				
Capital expenditure	-	17,377	-	17,377
Reportable segment assets	610,677	5,862,232	81,859	6,554,768
Investments in associates and jointly-controlled entities*	554,739	-	-	554,739
Reportable segment liabilities	175,806	3,333,397	-	3,509,203

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

3.1 Reportable segments (cont'd)

	Property Development \$'000	Property Investment \$'000	Others \$'000	Total \$'000
Full year ended 31st December 2023				
External revenue	189,072	255,798	-	444,870
Operating results	51,148	233,364	-	284,512
Other gains				52,711
Other operating expenses				(36,300)
Net finance costs				(157,704)
Profit from operating activities				143,219
Share of results of associates	(10,230)	-	-	(10,230)
Share of results of jointly-controlled entities	12,363	-	-	12,363
Fair value changes in investment properties	-	(363,921)	-	(363,921)
Income tax expense				(40,468)
Loss for the year				(259,037)
Other material item:				
Capital expenditure	-	165,080	-	165,080
Reportable segment assets	531,145	5,725,662	67,133	6,323,940
Investments in associates and jointly-controlled entities*	490,595	-	-	490,595
Reportable segment liabilities	138,450	3,008,249	-	3,146,699
Full year ended 31st December 2022				
External revenue	175,940	259,682	-	435,622
Operating results	50,014	239,170	-	289,184
Other gains				39,178
Other operating expenses				(42,383)
Net finance costs				(88,019)
Profit from operating activities				197,960
Share of results of associates	32,711	-	-	32,711
Share of results of jointly-controlled entities	45,987	-	-	45,987
Fair value changes in investment properties	-	(98,749)	-	(98,749)
Income tax expense				(10,803)
Profit for the year				167,106
Other material items:				
Capital expenditure/addition	-	1,336,642	-	1,336,642
Reportable segment assets	610,677	5,862,232	81,859	6,554,768
Investments in associates and jointly-controlled entities*	554,739	-	-	554,739
Reportable segment liabilities	175,806	3,333,397	-	3,509,203

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

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
6 months ended 31st December 2023					
Sale of development properties, transferred at a point in time	87	-	159,044	-	159,131
Rental income and service charges	50,724	79,523	25	-	130,272
Total revenue	<u>50,811</u>	<u>79,523</u>	<u>159,069</u>	<u>-</u>	<u>289,403</u>

6 months ended 31st December 2022					
Sale of development properties, transferred at a point in time	23,620	-	102,696	-	126,316
Rental income and service charges	51,319	79,589	128	-	131,036
Total revenue	<u>74,939</u>	<u>79,589</u>	<u>102,824</u>	<u>-</u>	<u>257,352</u>

	Singapore \$'000	United Kingdom \$'000	Australia \$'000	China \$'000	Total \$'000
Full year ended 31st December 2023					
Sale of development properties, transferred at a point in time	137	-	188,935	-	189,072
Rental income and service charges	103,076	152,671	51	-	255,798
Total revenue	<u>103,213</u>	<u>152,671</u>	<u>188,986</u>	<u>-</u>	<u>444,870</u>

Full year ended 31st December 2022					
Sale of development properties, transferred at a point in time	56,268	-	115,839	3,833	175,940
Rental income and service charges	101,753	157,612	317	-	259,682
Total revenue	<u>158,021</u>	<u>157,612</u>	<u>116,156</u>	<u>3,833</u>	<u>435,622</u>

4. **Staff costs & directors' remuneration**

	Group		Group	
	6 months ended		Full year ended	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Staff costs & directors' remuneration				
Current period/year	6,081	5,456	13,347	11,990
(Over)/under provision in respect of prior period/year	-	(2,713)	2,731	-
	<u>6,081</u>	<u>2,743</u>	<u>16,078</u>	<u>11,990</u>

5. **(Loss)/profit before tax**

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

	Group		Group	
	6 months ended		Full year ended	
	31st December		31st December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Other (losses)/gains				
Income from property management services	769	684	1,515	1,263
Fair value changes in financial assets at FVTPL	(12,913)	(2,035)	(12,963)	27,286
Gain on disposal of investment properties	(6)	2,806	46,480	2,806
Surrender premium received from tenant	-	-	8,929	-
Right-to-lights compensation	-	4,064	-	4,064
Dilapidation income	-	-	-	1,799
Other operating expenses				
Depreciation of property, plant and equipment and right-of-use assets	(538)	(522)	(1,240)	(997)
Writeback of impairment loss/ (impairment loss) on trade receivables	-	9	(2)	685
Write-down of properties held for sale to net realisable values	(692)	-	(692)	-
Net finance costs				
Interest income	5,732	2,593	9,920	3,486
Interest expense	(87,174)	(57,392)	(167,624)	(91,505)

6. Income tax expense

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:

	Group		Group	
	6 months ended 31st December		Full year ended 31st December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current period	32,071	22,555	43,209	48,300
(Over)/under provision in respect of prior years	(1,087)	(3,145)	4,376	(36,940)
	<u>30,984</u>	<u>19,410</u>	<u>47,585</u>	<u>11,360</u>
Deferred tax expense				
Movements in temporary differences	(6,467)	1,631	(11,492)	4,500
(Over)/under provision in respect of prior years	-	(3,242)	3,131	(8,060)
	<u>(6,467)</u>	<u>(1,611)</u>	<u>(8,361)</u>	<u>(3,560)</u>
Withholding taxes	<u>(4,073)</u>	<u>2,560</u>	<u>1,244</u>	<u>3,003</u>
Total income tax expense	<u>20,444</u>	<u>20,359</u>	<u>40,468</u>	<u>10,803</u>

7. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to \$3,576,000 (2022: \$10,144,000) and disposed of assets amounting to \$305,000 (2022: \$184,000).

8. Investment properties

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 fair value of the investment properties as at 31 December 2023 was based on valuations conducted by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd, and Cushman & Wakefield Debenham Tie Leung Limited. The valuers have considered valuation techniques including the market comparison method and the income capitalisation method in arriving at the open market value as at the reporting date.

8. Investment properties (cont'd)

	Group	
	2023	2022
	\$'000	\$'000
Freehold properties		
At 1 January	3,214,716	2,511,220
Capital expenditure/addition	10,446	1,305,324
Disposals	(67,900)	-
Fair value changes	(468,852)	(189,541)
Exchange differences	115,992	(412,287)
At 31 December	2,804,402	3,214,716
Leasehold properties		
At 1 January	2,541,399	2,441,773
Capital expenditure	154,634	31,318
Disposal	-	(13,600)
Fair value changes	104,931	90,792
Exchange differences	2,403	(8,884)
At 31 December	2,803,367	2,541,399
Total investment properties at 31 December	5,607,769	5,756,115

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 31 December 2023:

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties in Singapore	Market comparison method	Transacted price of comparable properties ¹ : \$601 - \$6,238 psf (2022: \$701 - \$2,502 psf)	The estimated fair value would increase with higher transacted prices of comparable properties
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2022: 3.50% - 5.00%)	The estimated fair value would increase with a lower capitalisation rate
Commercial properties in the United Kingdom	Income capitalisation approach	Capitalisation rates: 5.00% - 9.81% (2022: 4.21% - 7.66%)	The estimated fair value would increase with a lower capitalisation rate

¹ Adjusted for any differences in age, location, tenure, size and conditions of the specific property.

9. 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 31 December 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
Group						
31 December 2023						
Trade and other receivables including derivatives*	107,050	-	-	4,923	-	111,973
Financial assets at FVOCI	-	-	77	-	-	77
Financial assets at FVTPL	-	67,056	-	-	-	67,056
Cash and cash equivalents	172,677	-	-	-	-	172,677
Loans and borrowings	-	-	-	-	(3,064,684)	(3,064,684)
Trade and other payables including derivatives**	-	-	-	(14,268)	(173,775)	(188,043)
	<u>279,727</u>	<u>67,056</u>	<u>77</u>	<u>(9,345)</u>	<u>(3,238,459)</u>	<u>(2,900,944)</u>
31 December 2022						
Trade and other receivables including derivatives*	250,522	-	-	12,300	-	262,822
Financial assets at FVOCI	-	-	78	-	-	78
Financial assets at FVTPL	-	81,781	-	-	-	81,781
Cash and cash equivalents	327,386	-	-	-	-	327,386
Loans and borrowings	-	-	-	-	(3,424,704)	(3,424,704)
Trade and other payables including derivatives**	-	-	-	-	(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.

9. Financial instruments (cont'd)

Company	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	Fair value - hedging instruments \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
31 December 2023					
Trade and other receivables*	1,953,585	-	-	-	1,953,585
Financial assets at FVTPL	-	61,688	-	-	61,688
Cash and cash equivalents	22,644	-	-	-	22,644
Loans and borrowings	-	-	-	(273,728)	(273,728)
Trade and other payables including derivatives**	-	-	(2,931)	(363,082)	(366,013)
	<u>1,976,229</u>	<u>61,688</u>	<u>(2,931)</u>	<u>(636,810)</u>	<u>1,398,176</u>
31 December 2022					
Trade and other receivables*	1,446,670	-	-	-	1,446,670
Financial assets at FVTPL	-	77,611	-	-	77,611
Cash and cash equivalents	160,890	-	-	-	160,890
Loans and borrowings	-	-	-	(1,074,520)	(1,074,520)
Trade and other payables including derivatives**	-	-	-	(71,537)	(71,537)
	<u>1,607,560</u>	<u>77,611</u>	<u>-</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 31 December 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.

9. 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	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets/(liabilities)				
carried at fair value				
Group				
31 December 2023				
Financial assets at FVTPL	5,368	-	61,688	67,056
Financial assets at FVOCI	-	-	77	77
Interest rate swaps	-	(6,414)	-	(6,414)
Cross currency interest rate swaps	-	(2,931)	-	(2,931)
	<u>5,368</u>	<u>(9,345)</u>	<u>61,765</u>	<u>57,788</u>
31 December 2022				
Financial assets at FVTPL	4,089	-	77,692	81,781
Financial assets at FVOCI	-	-	78	78
Interest rate swaps	-	12,300	-	12,300
	<u>4,089</u>	<u>12,300</u>	<u>77,770</u>	<u>94,159</u>

Level 2 fair values – Interest rate swaps/cross currency swaps

The Group entered into interest rate swaps/cross currency swaps to hedge its interest rate risk and currency risk exposure on its variable rate borrowings. Based on broker quotes, the interest rate swaps/cross currency 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.

10. Development properties

	Group	
	31.12.2023 \$'000	31.12.2022 \$'000
<i>Properties for which revenue is to be recognised at a point in time</i>		
Properties held for sale	78,551	77,378
Properties under development	438,769	493,482
	517,320	570,860
Allowance for foreseeable losses	(1,206)	(494)
Total development properties	516,114	570,366

Movements in allowance for foreseeable losses are as follows:

	Group	
	2023 \$'000	2022 \$'000
At 1 January	(494)	(551)
Allowance made	(692)	-
Exchange differences	(20)	57
At 31 December	(1,206)	(494)

During the year ended 31 December 2023, allowance for foreseeable losses of \$692,000 (2022: nil) was made due to the Group's write-down of properties held for sale to net realisable values.

11. Loans and borrowings

	Group		Company	
	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
Non-current liabilities				
Secured bank loans	2,484,587	2,193,486	161,338	143,033
Unsecured bank loan	100,000	-	100,000	-
Lease liabilities	426	493	-	-
	2,585,013	2,193,979	261,338	143,033
Current liabilities				
Secured bank loans	479,439	1,230,498	12,390	930,515
Lease liabilities	232	227	-	972
	479,671	1,230,725	12,390	931,487
	3,064,684	3,424,704	273,728	1,074,520

The bank loans are secured 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.

12. Share capital

	31.12.2023		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 31 December	703,338,000	156,048	703,338,000	156,048

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

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

13. (Loss)/earnings per share

	6 months ended 31st December		Full year ended 31st December	
	2023	2022	2023	2022
(Loss)/profit attributable to owners of the Company (\$'000)	(104,101)	15,981	(259,845)	165,880
Weighted average number of ordinary shares (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Basic and diluted (loss)/earnings per share for the period (cents)	(15.68)	2.41	(39.13)	24.98

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.

14. Net asset value

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Net assets after adjusting for non-controlling interests (\$'000)	3,595,967	3,915,729	2,123,906	2,293,249
Ordinary shares at end of year (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Net asset value per ordinary share	\$5.42	\$5.90	\$3.20	\$3.45

15. 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 31 December 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 year then ended, and certain explanatory notes have not been audited or reviewed.

2. Performance Review for the Group

(i) Consolidated income statement

2H2023 vs 2H2022

For the second half year ended 31 December 2023, the Group's revenue grew by 12% to \$289.4 million (2H2022: \$257.4 million).

Development property sales improved significantly by 26% to \$159.1 million (2H2022: \$126.3 million) as more land lots were handed over to buyers in Australia. This was partially offset by lesser sales completion for Turquoise in Sentosa Cove. Rental income remained stable at \$130.3 million (2H2022: \$131.0 million).

Other losses were \$10.3 million compared to gains of \$6.4 million in 2H2022. The losses included a \$12.6 million fair value loss recorded on the Group's investment in a European property fund and notes. Other gains in 2H2022 included \$4.1 million right-to-lights compensation for a London property and a \$2.8 million disposal gain on Eastwood Centre in Singapore.

The cost of sales for residential development projects increased by 33% to \$115.2 million (2H2022: \$86.6 million), in line with the higher revenue. Direct rental expenses increased by 8% to \$11.2 million (2H2022: \$10.4 million), mainly due to service charges on vacant units for a London property.

Net finance costs increased to \$81.4 million (2H2022: \$54.8 million) on the back of rising interest rates.

Overall, profit from operating activities decreased by 39% to \$59.6 million (2H2022: \$97.2 million).

Share of profits from the China associates decreased by 57% to \$6.9 million (2H2022: \$16.0 million), mainly due to the absence of sales from the Nanjing project, which was fully handed over in FY2022.

Share of profits from the jointly-controlled entities decreased by 82% to \$6.9 million (2H2022: \$38.2 million) mainly due to lower sales completion for Cape Royale in Sentosa Cove.

Fair value loss on investment properties increased by 36% to \$155.6 million (2H2022: \$114.7 million). The Group recorded a fair value loss of \$263.9 million on its London portfolio, which was mitigated by a fair value gain of \$108.3 million on its Singapore portfolio.

Consequently, the loss attributable to owners of the Company was \$104.1 million compared to a profit of \$16.0 million in 2H2022. This translates to a loss per share of 15.68 cents (2H2022: earnings per share of 2.41 cents).

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

(i) Consolidated income statement (cont'd)

FY2023 vs FY2022

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

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

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

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

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

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

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

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

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

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

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

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

(i) Consolidated statement of financial position

31 December 2023 vs 31 December 2022

Total equity decreased by \$319.9 million to \$3.6 billion as of 31 December 2023 (2022: \$3.9 billion), mainly due to the loss recorded for the year, coupled with a dividend payment of \$53.1 million in May 2023.

Total assets decreased by \$625.7 million to \$7.0 billion as of 31 December 2023 (2022: \$7.6 billion), mainly due to the following:

- Investment properties decreased by \$148.3 million, largely attributable to a \$363.9 million net fair value loss on investment properties and the disposal of HB Centre 1 and 2. The decrease was partially offset by the capitalisation of \$154.2 million in development costs incurred for the construction of Elementum and favourable exchange rate movement of \$118.4 million on the London portfolio.
- Interest in associates decreased by \$54.3 million, mainly attributable to dividend from Zhuhai project and the Group's share of loss from China associates.
- Interest in jointly-controlled entities decreased by \$53.7 million, mainly due to the redemption of preference shares of a jointly-controlled entity in Singapore. The decrease was partially offset by the Group's share of profits from the jointly-controlled entities.
- Receivables decreased by \$147.9 million, largely due to the repayment of shareholders' loan received from a jointly-controlled entity in Singapore.
- Development properties decreased by \$54.3 million, mainly due to amounts transferred to the cost of sales for the land lots sold in Australia.

Total liabilities decreased by \$305.7 million to \$3.4 billion as of 31 December 2023 (2022: \$3.7 billion), mainly due to the following:

- Bank borrowings decreased by \$360.0 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 \$55.9 million primarily due to accruals made for Elementum's construction costs and liabilities arising from hedging instruments.

Total shareholders' fund as at 31 December 2023 amounted to \$3.6 billion (2022: \$3.9 billion), representing a net asset value of \$5.42 per share (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

The Group's investment portfolio in London and Singapore has maintained strong occupancy rates, which, along with its Australian development pipeline, positions it well to navigate the headwinds and weather potential challenges. The Group will continue to be disciplined and exercise financial prudence given ongoing geopolitical tensions and the elevated interest rate environment.

5. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First and final
Dividend type	Cash
Dividend per share	3 cents per ordinary share
Tax rate	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and final
Dividend type	Cash
Dividend per Share	8 cents per ordinary share
Tax rate	Tax exempt

(c) Date payable

24 May 2024

(d) Record Date

15 May 2024

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

Not applicable.

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. Breakdown of revenue and (loss)/profit after tax

	Group		
	2023	2022	Change
	S\$'000	S\$'000	%
Revenue for:			
- first half year	155,467	178,270	(13)
- second half year	289,403	257,352	12
	444,870	435,622	2
(Loss)/profit after tax for:			
- first half year	(156,312)	150,683	NM
- second half year	(102,725)	16,423	NM
	(259,037)	167,106	NM

NM: Not meaningful

10. Breakdown of total annual dividend (net of tax)

	Latest Full Year	Previous Full Year
	S\$'000	S\$'000
Ordinary shares	19,920	53,121

11. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Chua Thian Poh	75	Father of Mr Chua Wee-Chern (Executive Director and Chief Executive Officer)	Executive Chairman Providing leadership and setting the Group's strategies and policies. (Since 1 January 2022)	Not applicable
Mr Chua Wee-Chern	48	Son of Mr Chua Thian Poh (Executive Chairman, Executive Director and substantial shareholder)	Executive Director and Chief Executive Officer Implementation of the Group's strategies and policies, and overall management of the Group. (Since 1 January 2022)	Not applicable

By Order of the Board

Nicholas Chua
Executive Director
Chief Executive Officer

26 February 2024