

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

Condensed Interim Financial Statements
For the Half Year ended
30 June 2024

Table of Contents

- A. Condensed interim consolidated income statement**
- B. Condensed interim consolidated statement of comprehensive income**
- C. Condensed interim statements of financial position**
- D. Condensed interim statements of changes in equity**
- E. Condensed interim consolidated statement of cash flows**
- F. Notes to the condensed interim consolidated financial statements**
- G. Other information required by Listing Rule Appendix 7.2**

A. **Condensed interim consolidated income statement**

	Note	Group		Change %
		Half year ended		
		30.06.2024 \$'000	30.06.2023 \$'000	
Revenue	3	229,995	155,467	48
Other gains and fair value changes		3,489	63,056	(94)
Cost of sales – residential development projects		(77,875)	(22,719)	>100
Direct rental expenses		(17,550)	(11,218)	56
Exchange differences		(657)	(8,849)	(93)
Staff costs and directors' remuneration		(10,508)	(9,997)	5
Other operating expenses		(5,002)	(5,815)	(14)
Net finance costs		(79,744)	(76,262)	5
		42,148	83,663	(50)
Share of results, net of tax, of:				
- associates		(348)	(17,143)	(98)
- jointly-controlled entities		4,426	5,495	(19)
		46,226	72,015	(36)
Fair value changes in investment properties	7	(11,228)	(208,303)	(95)
Profit/(loss) before tax	4	34,998	(136,288)	NM
Income tax expense	5	(25,469)	(20,024)	27
Profit/(loss) after tax		9,529	(156,312)	NM
Attributable to:				
Owners of the Company		8,811	(155,744)	NM
Non-controlling interests		718	(568)	NM
		9,529	(156,312)	NM
Earnings/(loss) per share				
Basic and diluted earnings/(loss) per share (cents)	12	1.33	(23.45)	NM

NM: Not meaningful

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

	Group		Change %
	Half year ended 30.06.2024 \$'000	30.06.2023 \$'000	
Profit/(loss) after tax	9,529	(156,312)	NM
Items that are or may be reclassified subsequently to profit or loss:			
Changes in fair value of cash flow hedges	14,022	(1,235)	NM
Foreign currency translation differences relating to foreign operations	911	36,664	(98)
Exchange differences on hedges of net investment and loans forming part of net investment in foreign operations	21,847	8,736	>100
Share of foreign currency translation differences of equity-accounted investees	447	(3,904)	NM
Other comprehensive income, net of tax	37,227	40,261	(8)
Total comprehensive income	46,756	(116,051)	NM
Attributable to:			
Owners of the Company	45,922	(115,141)	NM
Non-controlling interests	834	(910)	NM
	46,756	(116,051)	NM

NM: Not meaningful

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

	Note	Group		Company	
		30.06.2024 \$'000	31.12.2023 \$'000	30.06.2024 \$'000	31.12.2023 \$'000
Non-current assets					
Property, plant and equipment	6	55,626	55,772	1,441	1,569
Investment properties	7	5,656,770	5,607,769	-	-
Subsidiaries		-	-	523,058	522,974
Associates		53,785	53,902	4,136	4,136
Jointly-controlled entities		377,904	379,392	222,155	222,155
Other assets		150	150	-	-
Financial assets		64,723	64,609	59,750	59,164
Other receivables		47,647	38,826	2,007,833	1,902,668
Deferred tax assets		365	532	-	-
		6,256,970	6,200,952	2,818,373	2,712,666
Current assets					
Financial assets		2,510	2,524	2,510	2,524
Development properties	9	497,740	516,114	-	-
Trade and other receivables, including derivatives		86,761	83,715	81,820	50,982
Cash and cash equivalents		117,886	172,677	1,520	22,644
		704,897	775,030	85,850	76,150
Total assets		6,961,867	6,975,982	2,904,223	2,788,816
Equity attributable to equity holders of the Company					
Share capital	11	156,048	156,048	156,048	156,048
Reserves		3,465,921	3,439,919	2,303,059	1,967,858
		3,621,969	3,595,967	2,459,107	2,123,906
Non-controlling interests		14,322	14,088	-	-
Total equity		3,636,291	3,610,055	2,459,107	2,123,906
Non-current liabilities					
Loans and borrowings	10	2,728,990	2,585,013	255,143	261,338
Other liabilities		26,084	32,291	5,024	5,024
Deferred income		39,772	41,853	-	-
Deferred tax liabilities		12,816	12,263	-	-
		2,807,662	2,671,420	260,167	266,362
Current liabilities					
Trade and other payables, including derivatives		154,274	164,061	144,698	366,311
Loans and borrowings	10	313,410	479,671	21,398	12,390
Deferred income		2,171	2,001	-	-
Current tax payable		48,059	48,774	18,853	19,847
		517,914	694,507	184,949	398,548
Total liabilities		3,325,576	3,365,927	445,116	664,910
Total equity and liabilities		6,961,867	6,975,982	2,904,223	2,788,816

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
Group									
At 01.01.2023	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992
Loss after tax	-	-	-	-	-	(155,744)	(155,744)	(568)	(156,312)
Other comprehensive income	-	-	-	(1,235)	41,838	-	40,603	(342)	40,261
Total comprehensive income	-	-	-	(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)
Total distributions to owners of the Company	-	-	-	-	-	(53,121)	(53,121)	-	(53,121)
At 30.06.2023	156,048	(67,796)	791	11,065	(90,675)	3,738,034	3,747,467	13,353	3,760,820
At 01.01.2024	156,048	(67,796)	791	(9,345)	(117,664)	3,633,933	3,595,967	14,088	3,610,055
Profit after tax	-	-	-	-	-	8,811	8,811	718	9,529
Other comprehensive income	-	-	-	14,022	23,089	-	37,111	116	37,227
Total comprehensive income	-	-	-	14,022	23,089	8,811	45,922	834	46,756
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(600)	(600)
Final tax-exempt dividend paid of 3 cents per share in respect of 2023	-	-	-	-	-	(19,920)	(19,920)	-	(19,920)
Total distributions to owners of the Company	-	-	-	-	-	(19,920)	(19,920)	(600)	(20,520)
At 30.06.2024	156,048	(67,796)	791	4,677	(94,575)	3,622,824	3,621,969	14,322	3,636,291

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 01.01.2023	156,048	(67,796)	-	2,204,997	2,293,249
Total comprehensive income	-	-	-	46,077	46,077
Dividend paid	-	-	-	(53,121)	(53,121)
At 30.06.2023	156,048	(67,796)	-	2,197,953	2,286,205
At 01.01.2024	156,048	(67,796)	(2,931)	2,038,585	2,123,906
Total comprehensive income	-	-	6,086	349,035	355,121
Dividend paid	-	-	-	(19,920)	(19,920)
At 30.06.2024	156,048	(67,796)	3,155	2,367,700	2,459,107

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

	Group	
	Half year ended	
	Note	30.06.2024
	\$'000	\$'000
Cash flows from operating activities		
Profit/(loss) after tax	9,529	(156,312)
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	508	702
Gain on disposal of investment properties	-	(46,486)
Gain on disposal of property, plant and equipment	(25)	-
Exchange differences	1,983	15,173
Interest income	(5,698)	(4,188)
Impairment loss on trade receivables	-	2
Dividend income from investment at FVTPL	-	(112)
Distribution income from financial assets at FVTPL	-	(2)
Finance costs	85,442	80,450
Fair value changes in investment properties	11,228	208,303
Fair value changes in financial assets at FVTPL	470	50
Share of results of associates	348	17,143
Share of results of jointly-controlled entities	(4,426)	(5,495)
Income tax expense	5 25,469	20,024
	124,828	129,252
Changes in:		
Development properties	18,499	(14,638)
Trade and other receivables	(15,250)	(43,943)
Trade and other payables	(7,992)	32,808
Cash generated from operations	120,085	103,479
Income taxes paid	(26,948)	(26,075)
Net cash generated from operating activities	93,137	77,404

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

	Note	Group	
		Half year ended	
		30.06.2024	30.06.2023
		\$'000	\$'000
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(498)	(2,698)
Proceeds from sale of property, plant and equipment		179	3
Interest received		5,698	4,188
Dividends from investment at FVTPL		-	112
Dividend from associate		-	46,813
Investment in jointly-controlled entities		(2,513)	(7,352)
Redemption of preference shares of jointly-controlled entity		-	68,093
Repayment from jointly-controlled entity (non-trade)		14,973	86,551
Capital expenditure on investment properties	7	(1,622)	(65,743)
Proceeds from sale of investment properties		-	114,386
Purchase of financial assets at FVTPL		(1,159)	(6,074)
Redemption of financial assets at FVTPL		252	490
Distribution from financial assets at FVTPL		-	15,196
Net cash generated from investing activities		15,310	253,965
Cash flows from financing activities			
Proceeds from bank loans		185,035	932,247
Repayment of bank loans		(244,402)	(1,150,299)
Payment of lease liability		(136)	(150)
Interest paid		(84,820)	(79,405)
Dividend paid		(19,920)	(53,121)
Dividend paid to non-controlling shareholder		(600)	-
Net cash used in financing activities		(164,843)	(350,728)
Net decrease in cash and cash equivalents		(56,396)	(19,359)
Cash and cash equivalents at 1 January		172,677	327,386
Effect of exchange rate fluctuations on cash held		1,605	4,853
Cash and cash equivalents at 30 June		117,886	312,880

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 2024 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 2024 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 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 2024. 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 2023.

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
Half year ended 30.06.2024				
External revenue	94,714	135,281	-	229,995
Operating results	16,839	117,731	-	134,570
Other gains and fair value changes				3,489
Other operating expenses				(16,167)
Net finance costs				(79,744)
Share of results of associates	(348)	-	-	(348)
Share of results of jointly-controlled entities	4,426	-	-	4,426
Fair value changes in investment properties	-	(11,228)	-	(11,228)
Income tax expense				(25,469)
Profit after tax				9,529
Other material item:				
Capital expenditure	-	1,622	-	1,622
Reportable segment assets	509,479	5,785,328	67,233	6,362,040
Investments in associates and jointly-controlled entities*	482,209	-	-	482,209
Reportable segment liabilities	142,932	2,980,073	-	3,123,005
Half year ended 30.06.2023				
External revenue	29,941	125,526	-	155,467
Operating results	7,222	114,308	-	121,530
Other gains and fair value changes				63,056
Other operating expenses				(24,661)
Net finance costs				(76,262)
Share of results of associates	(17,143)	-	-	(17,143)
Share of results of jointly-controlled entities	5,495	-	-	5,495
Fair value changes in investment properties	-	(208,303)	-	(208,303)
Income tax expense				(20,024)
Loss after tax				(156,312)
Other material items:				
Capital expenditure/addition	-	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

* 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 and Australia.

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

	Singapore	United Kingdom	Australia	Total
	\$'000	\$'000	\$'000	\$'000
Half year ended 30.06.2024				
Sale of development properties, transferred at a point in time	6,478	-	88,236	94,714
Rental income and service charges	59,201	76,075	5	135,281
Total revenue	<u>65,679</u>	<u>76,075</u>	<u>88,241</u>	<u>229,995</u>

Half year ended 30.06.2023				
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
Total revenue	<u>52,402</u>	<u>73,148</u>	<u>29,917</u>	<u>155,467</u>

4. Profit/(loss) before tax

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

	Group	
	Half year ended	Half year ended
	30.06.2024	30.06.2023
	\$'000	\$'000
Other gains and fair value changes		
Income from property management services	765	746
Management fee income	461	2,945
Fair value changes in financial assets at FVTPL	(470)	(50)
Rent top-up received from vendor	1,274	2,623
Surrender premium received from tenant	-	8,929
Gain on disposal of investment properties	-	46,486
Other operating expenses		
Depreciation of property, plant and equipment and right-of-use assets	(508)	(702)
Impairment loss on trade receivables	-	(2)
Net finance costs		
Interest income	5,698	4,188
Interest expense	(85,442)	(80,450)

5. Income tax expense

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

	Group	
	Half year ended	
	30.06.2024	30.06.2023
	\$'000	\$'000
Current tax expense		
Current period	22,605	11,138
Under provision in respect of prior years	1,592	5,463
	<u>24,197</u>	<u>16,601</u>
Deferred tax expense		
Movements in temporary differences	709	(5,025)
Under provision in respect of prior years	-	3,131
	<u>709</u>	<u>(1,894)</u>
Withholding taxes	563	5,317
Total income tax expense	<u>25,469</u>	<u>20,024</u>

6. Property, plant and equipment

Movements in the Group's property, plant and equipment include:

	Group	
	Half year ended	
	30.06.2024	30.06.2023
	\$'000	\$'000
Purchases	498	2,698
Disposals	154	3

7. Investment properties

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
Freehold properties		
At 1 January	2,804,402	3,214,716
Capital expenditure	976	10,446
Disposals	-	(67,900)
Fair value changes	(11,228)	(468,852)
Exchange differences	57,316	115,992
	2,851,466	2,804,402
Leasehold properties		
At 1 January	2,803,367	2,541,399
Capital expenditure	646	154,634
Fair value changes	-	104,931
Exchange differences	1,291	2,403
	2,805,304	2,803,367
Total investment properties	5,656,770	5,607,769

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.

The fair values of investment properties as at 30 June 2024 are based on 31 December 2023 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 2023. 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 2023. The most significant input into the valuation techniques was the capitalisation rate of 3.5% to 5.0% (31 December 2023: 3.5% to 5.0%) for Singapore properties and 5.4% to 9.8% (31 December 2023: 5.0% to 9.8%) for London properties. Accordingly, the Group recognised a fair value loss of \$11,228,000 on its investment portfolio for the half year ended 30 June 2024.

8. Financial instruments

Estimation of fair values for financial assets and liabilities

Financial instruments by category:

Group	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
30.06.2024						
Trade and other receivables including derivatives*	112,536	-	-	9,739	-	122,275
Financial assets at FVOCI	-	-	39	-	-	39
Financial assets at FVTPL	-	67,194	-	-	-	67,194
Cash and cash equivalents	117,886	-	-	-	-	117,886
Loans and borrowings	-	-	-	-	(3,042,400)	(3,042,400)
Trade and other payables including derivatives**	-	-	-	(8,350)	(171,846)	(180,196)
	<u>230,422</u>	<u>67,194</u>	<u>39</u>	<u>1,389</u>	<u>(3,214,246)</u>	<u>(2,915,202)</u>
31.12.2023						
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>

* 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	Fair value - hedging instruments \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Company					
30.06.2024					
Trade and other receivables including derivatives*	2,086,355	-	3,155	-	2,089,510
Financial assets at FVTPL	-	62,260	-	-	62,260
Cash and cash equivalents	1,520	-	-	-	1,520
Loans and borrowings	-	-	-	(276,541)	(276,541)
Trade and other payables**	-	-	-	(149,617)	(149,617)
	<u>2,087,875</u>	<u>62,260</u>	<u>3,155</u>	<u>(426,158)</u>	<u>1,727,132</u>
31.12.2023					
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)	(368,106)	(371,037)
	<u>1,976,229</u>	<u>61,688</u>	<u>(2,931)</u>	<u>(641,834)</u>	<u>1,393,152</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. 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
Financial assets/(liabilities) carried at fair value				
Group				
30.06.2024				
Financial assets at FVTPL	4,934	-	62,260	67,194
Financial assets at FVOCI	-	-	39	39
Derivative assets	-	9,739	-	9,739
Derivative liabilities	-	(8,350)	-	(8,350)
	<u>4,934</u>	<u>1,389</u>	<u>62,299</u>	<u>68,622</u>
31.12.2023				
Financial assets at FVTPL	5,368	-	61,688	67,056
Financial assets at FVOCI	-	-	77	77
Derivative assets	-	4,923	-	4,923
Derivative liabilities	-	(14,268)	-	(14,268)
	<u>5,368</u>	<u>(9,345)</u>	<u>61,765</u>	<u>57,788</u>

Level 2 fair values – Derivative assets and liabilities

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.

9. Development properties

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
<i>Properties for which revenue is to be recognised at a point in time</i>		
Properties held for sale	74,084	78,551
Properties under development	424,884	438,769
	498,968	517,320
Allowance for foreseeable losses	(1,228)	(1,206)
Total development properties	497,740	516,114

Movements in allowance for foreseeable losses are as follows:

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
At 1 January	(1,206)	(494)
Allowance made	-	(692)
Exchange differences	(22)	(20)
	(1,228)	(1,206)

Allowance for foreseeable losses was made to record the properties held for sale at net realisable values. The Group has reviewed and assessed that no further allowance was required to be made for the half year ended 30 June 2024.

10. Loans and borrowings

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Secured bank loans	2,628,432	2,484,587	155,143	161,338
Unsecured bank loan	100,000	100,000	100,000	100,000
Lease liabilities	558	426	-	-
	2,728,990	2,585,013	255,143	261,338
Current liabilities				
Secured bank loans	304,182	479,439	12,390	12,390
Unsecured bank loan	9,008	-	9,008	-
Lease liabilities	220	232	-	-
	313,410	479,671	21,398	12,390
	3,042,400	3,064,684	276,541	273,728

The secured bank loans are secured over certain investment properties and development properties as well as the legal assignment of the sales and rental proceeds of the properties pledged.

11. Share capital

	30.06.2024		31.12.2023	
	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 2024 and 31 December 2023. There was no sale, transfer, cancellation and/or use of treasury shares for the half year ended 30 June 2024.

No subsidiary companies held shares in the Company as at 30 June 2024 and 31 December 2023. There was no allotment or transfer of shares in the Company to its subsidiaries for the half year ended 30 June 2024.

12. Earnings/(loss) per share

	Half year ended	
	30.06.2024	30.06.2023
Profit/(loss) attributable to owners of the Company (\$'000)	8,811	(155,744)
Weighted average number of ordinary shares (excluding treasury shares)	664,016,400	664,016,400
Basic and diluted earnings/(loss) per share (cents)	1.33	(23.45)

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

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

13. Net asset value

	Group		Company	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Net assets after adjusting for non-controlling interests (\$'000)	3,621,969	3,595,967	2,459,107	2,123,906
Number of ordinary shares (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Net asset value per ordinary share	\$5.45	\$5.42	\$3.70	\$3.20

14. Disclosure pursuant to Rule 706A of the Listing Manual

Ho Bee (Eastwood Park) Pte Ltd, an indirect wholly-owned subsidiary of the Company, was dissolved on 11 April 2024 by way of members' voluntarily winding up. The liquidation is not expected to have a material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2024.

15. Subsequent events

(i) Issuance of green bond

On 11 July 2024, the Company announced the issuance of a \$160 million 5-year SGD 4.35% fixed-rate unsecured green bond under its \$800 million multi-currency medium-term note programme. Net proceeds from the issuance will be used to fund or refinance eligible green projects under the Company's Green Finance Framework.

(ii) Divestment of partial interest in a Singapore property

On 8 August 2024, the Company entered into a sale and purchase agreement with Fermium 257 Pte. Ltd., a company incorporated in Singapore representing the interest of a sovereign wealth fund, for the sale of 49% of the issued share capital ("Sale Shares") of HB Universal Pte. Ltd., a wholly-owned subsidiary, which holds the Group's biomedical sciences development, Elementum in Singapore.

The consideration for the Sale Shares is \$134.0 million, which was arrived at on a willing seller and willing buyer basis and will be satisfied wholly in cash. As of the date of this announcement, a deposit of \$2.7 million was received, with the balance to be received upon completion on 21 August 2024. The gain on disposal is estimated to be \$34.8 million, before deducting related transaction costs.

G Other Information Required by Listing Rule Appendix 7.2

1. Audit or review by auditors

The condensed interim consolidated financial statements have neither been audited nor reviewed by the auditors.

2. Performance review for the Group

(i) Consolidated income statement

1H2024 vs 1H2023

The Group's revenue for 1H2024 grew significantly by 48% to \$230.0 million (1H2023: \$155.5 million).

Development property sales more than tripled to \$94.7 million (1H2023: \$29.9 million), driven by higher sales in Australia, including a sale of a development site at Broadbeach, Gold Coast, which was sold for \$28.3 million. This was accompanied by more sales recognition from Turquoise in Sentosa Cove. The cost of sales for residential development projects increased to \$77.9 million (1H2023: \$22.7 million), in line with the higher sales.

Rental income grew by 8% to \$135.3 million (1H2023: \$125.5 million), mainly due to additional contribution from Elementum in Singapore which was completed in December 2023. Direct rental expenses increased by 56% to \$17.6 million (1H2023: \$11.2 million), mainly due to rental commission and advertisement expenses incurred for Elementum.

Other gains decreased by 94% to \$3.5 million (1H2023: \$63.1 million). The prior gains in 1H2023 included a \$46.5 million divestment gain on HB Centre 1 and 2 in Singapore and a \$8.9 million surrender fee income for a London property.

Net finance costs increased by 5% to \$79.7 million (1H2023: \$76.3 million), mainly due to rising interest rates and additional bank borrowings to fund the construction of Elementum.

The share of losses of the China associates reduced by 98% to \$0.3 million (1H2023: \$17.1 million). The prior loss of \$17.1 million in 1H2023 was largely due to provisions made for foreseeable losses on the Tianjin project.

The share of profits of jointly-controlled entities decreased by 19% to \$4.4 million (1H2023: \$5.5 million) mainly due to lower sales recognition from Pinnacle and Seascape in Sentosa Cove.

The valuation of the Singapore portfolio remained unchanged, while the London portfolio recorded a fair value loss of S\$11.2 million in 1H2024 (1H2023: \$208.3 million). The fair value loss is primarily due to higher capitalisation rates adopted for the valuation for two London properties.

Income tax expense increased by 27% to \$25.5 million (1H2023: \$20.0 million). The prior income tax expense in 1H2023 included a write-back of \$8.4 million for a deferred tax provision for a London property.

Overall, the Group recorded a profit of \$9.5 million in 1H2024 compared to a prior loss of \$156.3 million in 1H2023. Consequently, profit attributable to owners of the Company was \$8.8 million compared to a prior loss of \$155.7 million in 1H2023. This translates to earnings per share of 1.33 cents (1H2023: loss per share of 23.45 cents).

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

(ii) Consolidated statement of financial position

30 June 2024 vs 31 December 2023

Total equity increased by \$26.2 million to \$3.64 billion as of 30 June 2024 (31 December 2023: \$3.61 billion), due to an exchange translation gain of \$23.2 million arising mainly from favourable GBP exchange rate movement, a mark-to-market gain of \$14.0 million on derivative instruments, and a profit of \$9.5 million recorded for the half year, partially offset by dividend payments of \$20.5 million to shareholders.

Total assets decreased by \$14.1 million to \$6.96 billion as of 30 June 2024 (31 December 2023: \$6.98 billion), mainly due to cash utilised for loan repayments and dividend payments, development properties handed over to buyers transferred to cost of sales, partially offset by favourable exchange rate movement on London investment properties due to appreciation of the GBP against SGD.

Total liabilities decreased by \$40.4 million to \$3.33 billion as of 30 June 2024 (31 December 2023: \$3.37 billion), mainly due to loan repayments, partially offset by unfavourable exchange rate movement on GBP-denominated bank loans.

Total shareholders' fund as at 30 June 2024 amounted to \$3.62 billion (31 December 2023: \$3.60 billion), representing a net asset value of \$5.45 per share (31 December 2023: \$5.42 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 of 95%. While market conditions remain challenging, the Group is well-positioned to navigate these headwinds with its diversified investment and development portfolio. The Group looks to continue its proactive asset management and capital recycling strategies.

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/recommendeded for the half year ended 30 June 2024. 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 half year ended 30 June 2024, to be false or misleading in any material aspect.

By Order of the Board

Nicholas Chua
Executive Director
Chief Executive Officer

12 August 2024