



**Ho Bee Land Limited**

(Co. Reg. No.: 198702381M)

**ANNOUNCEMENT**

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS  
AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

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The Board of Directors of Ho Bee Land Limited (“**HBL**” or the “**Company**” and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the Company’s 34th Annual General Meeting (“**AGM**”) to be held on 21 April 2022 at 10.30 a.m. by electronic means in accordance with the Notice of AGM published earlier.

Please refer to our responses to the substantial and relevant questions received from shareholders as set out in Appendix A.

The Company has also received questions from Securities Investors Association (Singapore) (“**SIAS**”) ahead of the AGM. Please refer to our responses to the questions from SIAS as set out in Appendix B.

By Order of the Board

Wince Fung  
Company Secretary  
14 April 2022

**APPENDIX A**

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS**

| <b>Theme</b>                                           | <b>No.</b> | <b>Questions from shareholder</b>                                                                                                                                                                                                          | <b>Responses</b>                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact of Covid-19 and Russia-Ukraine War on the Group | 1          | <p>What is the general outlook of the property market in Singapore?</p> <p>How has the Covid-19 pandemic affected the rental market in Sentosa?</p>                                                                                        | <p>With rising inflation, analysts expect imminent hikes in interest rates. The recent Russia-Ukraine war and the Covid lockdowns in China have added to more supply-chain uncertainties. As a result of the above, the property market outlook in Singapore continues to be challenging.</p> <p>The pandemic has increased the rental demand for homes in Sentosa Cove. Our portfolio currently enjoys more than 95% occupancy.</p> |
|                                                        | 2          | <p>How are you impacted by the rising cost of raw materials due to the Russia-Ukraine war? Any labor shortages?</p>                                                                                                                        | <p>The construction contract for the Elementum project in Biopolis was awarded 13 months ago. We are in constant dialogue with the main contractor who has not indicated any significant labor shortage. We are currently not impacted by the rising cost of raw materials as the cost increases are within the allowable threshold under the contract.</p>                                                                          |
| Business Operations and Strategies                     | 3          | <p>Can you share more details about the projects in Australia and future plans?</p>                                                                                                                                                        | <p>The plan for the Australian business is to establish HB Land as one of the major residential land developers along the east coast of Australia. Information on the land acquisitions in Australia have been released via SGXNET announcements. The Group now has a total pipeline of approximately 4,600 lots for development over the next few years.</p>                                                                        |
|                                                        | 4          | <p>What is the occupancy rate and WALE for the Group's UK and Singapore commercial property portfolio?</p>                                                                                                                                 | <p>As at 31 March 2022, the WALE for our UK portfolio is approximately 7 years. Currently, occupancy is at 96%. The WALE for our Singapore portfolio is approximately 2.3 years. Currently, occupancy is at 98%.</p>                                                                                                                                                                                                                 |
|                                                        | 5          | <p>What are the plans for the London office portfolio? Could it be listed as a REIT in Singapore/London stock exchanges as a REIT?</p>                                                                                                     | <p>The portfolio is held for recurring income. We would not rule out such a possibility for listing.</p>                                                                                                                                                                                                                                                                                                                             |
|                                                        | 6          | <p>Ho Bee Land is currently trading at a P/NAV of &lt;0.50. This is significantly lower than the P/NAV of other Real Estate shares traded on the SGX.</p> <p>What is the Board/Management's strategy to unlock value for shareholders?</p> | <p>Typically, share prices of real estate companies in Singapore trade at a discount to Net Tangible Asset and Ho Bee is no exception. Ho Bee has improved shareholders' value by consistently posting strong financial results. The share price performance is to a large extent market and sentiment driven. We are constantly</p>                                                                                                 |

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|  |   | Are you considering unlocking value through spin-off of certain properties into a REIT?            | reviewing ways to unlock shareholders' value, such as asset recycling, asset enhancement initiatives and the option of a REIT.                                                                                                                                                                                               |
|  | 7 | Would you explore M&A opportunities, either locally or abroad?                                     | Yes, we would not rule out any suitable M&A opportunities.                                                                                                                                                                                                                                                                   |
|  | 8 | What is the Group's dividend policy?<br>Would the Company increase the dividend pay-out in future? | In our recommendation of dividends, the Group takes into consideration our operating performance, financial condition and planned capital needs, as well as general business conditions and risks. It is our objective to pay dividends on a sustainable and regular basis, and to grow dividends over time, where possible. |
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**APPENDIX B**

**RESPONSES TO QUESTIONS RECEIVED FROM SECURITIES INVESTORS ASSOCIATION  
(SINGAPORE) (“SIAS”)**

| No. | Questions from SIAS                                                                                                                                                                                                                                                                                                                                                                          | Responses                                                                                                                                                                                                                                                                                                                                                      |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | <p><b>What is management’s view of the prospects of residential development in Singapore? Is management actively seeking to acquire development landbank in Singapore?</b></p>                                                                                                                                                                                                               | <p>The residential market in Singapore is stable. However, it is increasingly challenging for developers due to escalating construction costs and potential interest rate hikes. Management is closely monitoring the market and when the risk-reward environment is more conducive, we will consider residential developments in Singapore more actively.</p> |
| 2   | <p><i>During the year, the group released selected units in Turquoise and Seascape for sale and achieved strong sales performance due to increased interest in Sentosa Cove.</i></p> <p><b>What are the factors considered by management in determining whether to officially launch Cape Royale? Has management actively explored the sale of the entire project to a single buyer?</b></p> | <p>The key factors are demand and sentiment towards Sentosa Cove properties.</p> <p>Due to increased interest, Management is reviewing the official sales launch of Cape Royale. We will not rule out divesting to a single buyer if this is in the best interest of maximising shareholders’ value.</p>                                                       |
| 3   | <p><b>What is the sentiment on the ground in Queensland, especially for the group’s land subdivision projects? What is the profile of the typical buyer of the group’s housing lots?</b></p>                                                                                                                                                                                                 | <p>Sentiment in Queensland remains strong in the land subdivision market. This is driven by high interstate migration and low supply levels. Consequently, our projects are selling well. Majority of our buyers are local owner occupiers.</p>                                                                                                                |
| 4   | <p><i>As disclosed in Note 8 (page 124 – Associates), the group has over \$369.5 million in associates, two of which are material to the group and account for \$366.4 million.</i></p> <p><b>What is the ability of management to value-add in the projects in China, in cases such as when it only has an 8% effective stake in the 3,052-unit residential project in Nanjing?</b></p>     | <p>We have been involved in China projects since 2002 and have developed strong partnerships with like-minded developers. When Management assesses a project to be viable, we will invest in the joint venture. It is not always necessary to be an active participant in every JV.</p>                                                                        |
| 5   | <p><i>As shown in Note 11 (page 129 – Financial assets), the group has over \$5.2 million in quoted equity securities designated at fair value through profit or loss.</i></p> <p><b>What are the underlying investments? Are the group’s investments in quoted equity securities aligned with the long-term strategies? Who is overseeing these investments?</b></p>                        | <p>The investment in quoted equity securities is aligned with the Group’s strategies and Management has oversight of these investments.</p>                                                                                                                                                                                                                    |
| 6   | <p><i>The Metropolis attained the Green Mark Platinum certification which is the highest rating for energy-efficient</i></p>                                                                                                                                                                                                                                                                 | <p>We are fully committed to promoting sustainability in our buildings. The Energy Performance Certificates (EPCs) are used to rate buildings’ energy efficiency</p>                                                                                                                                                                                           |

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|    | <p><i>buildings by the Building &amp; Construction Authority of Singapore. Similarly, Elementum will be a Green Mark Platinum certified project while The Scalpel has a BREEAM (Building Research Assessment Method) rating of "Excellent" and an Energy Performance Certificate rating of B.</i></p> <p><b>What are the sustainability ratings for the group's other major assets, such as Apollo House and Lunar House and 1 St Martin's Le Grand? Are there near-term plans to further improve the energy efficiency/performance of these buildings?</b></p> | <p>in the UK. EPCs range from A (Very Efficient) to G (Inefficient). The current rating of our portfolio in London ranges from B to D. We have already embarked on various sustainability initiatives to upgrade all our London offices to a minimum B rating within the next 18 months. For Apollo House and Lunar House which were built in the 1960s, we plan to redevelop the buildings to the exacting sustainability standards of the UK authorities when their leases expire in 2024.</p> |
| 7  | <p><b>What is the progress of the construction of Elementum?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Piling works have been completed and works on the substructure are in progress. The project is currently on schedule to complete in 2H 2023.</p>                                                                                                                                                                                                                                                                                                                                              |
| 8  | <p><b>Given the challenges caused by the COVID-19 pandemic, does management expect the Elementum project to be completed on schedule and within budget?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Please refer to our response to a similar question from a shareholder in Appendix A (Question no. 2) and Question 7 above.</p>                                                                                                                                                                                                                                                                                                                                                                |
| 9  | <p><i>As at 31 December 2021, the group has net debt amounting to \$2.42 billion and a net gearing ratio of 0.62 times.</i></p> <p><b>What is the net gearing ratio after the acquisition of The Scalpel?</b></p>                                                                                                                                                                                                                                                                                                                                               | <p>Assuming The Scalpel was acquired on 31 December 2021, the net debt/equity ratio would have been approximately 0.95 times. Management will pare down the gearing progressively during the year.</p>                                                                                                                                                                                                                                                                                           |
| 10 | <p><b>What is the debt headroom available to the group before the group hits any internal limit on its leverage?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>This information will not be disclosed due to commercial sensitivity.</p>                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 11 | <p><b>Has the board considered unlocking value from the investment properties portfolio with a potential REIT spin-off?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Please refer to our response to a similar question from a shareholder in Appendix A (Question no. 6).</p>                                                                                                                                                                                                                                                                                                                                                                                     |
| 12 | <p><b>How was the scope of the internal audit determined? What was the scope of the internal audit in FY2021? How long is an internal audit cycle?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                      | <p>The internal auditor adopts a risks-based approach and proposes the scope for internal audit for review and approval by the Audit &amp; Risk Committee. The scope would include the list of entities and the business processes to be audited.</p> <p>For FY2021, the scope included the higher risks areas approved by the Audit &amp; Risk Committee.</p>                                                                                                                                   |
| 13 | <p><b>Can the ARC clarify if the internal audit covers the material associated companies? If not, why not?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Yes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 14 | <p><b>What are the key findings by the internal auditor in FY2021?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>There were no material audit findings in FY2021.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 15 | <p><b>What were the key findings of the VAPT?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>There were no material adverse findings from the VAPT.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |