



Ho Bee Land Limited

(Co. Reg. No.: 198702381M)

ANNOUNCEMENT

ACQUISITION OF 52 LIME STREET “THE SCALPEL” IN LONDON

1. INTRODUCTION

Ho Bee Land Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a share purchase agreement (“**SPA**”) with Berkley Insurance Company and Berkley Regional Insurance Company (the “**Vendors**”), both as unrelated parties. Under the SPA, the Vendors agreed to sell and the Company agreed to purchase all of the ordinary shares representing the entire issued share capital of 34 Leadenhall Street Limited (the “**Target**”)(the “**Acquisition**”).

2. INFORMATION ON THE TARGET

The Target is a private limited company incorporated in the Island of Jersey and its principal activity is property investment. Its issued share capital comprises 420,069,553.90 ordinary limited shares of no par value. On completion of the Acquisition, the Target will become a wholly owned subsidiary of the Company.

The Target is the registered owner of a freehold property at 52 Lime Street in London, popularly known as “The Scalpel” (the “**Property**”). The Scalpel is 675 feet (206.5 metres) in height and built on a freehold site of about 0.31 hectares. The Property has a total of approximately 406,000 square feet of Grade A office space spread over 36 storeys and three retail units at ground and basement levels.

3. CONSIDERATION

The consideration for the Acquisition is £718 million (approximately S\$1.31 billion¹) (the “**Consideration**”) which was arrived at on a willing-seller and willing-buyer basis. The Consideration will be satisfied wholly in cash. A deposit of £35.9 million has been paid on 23 February 2022, with the balance payable upon completion on 7 March 2022.

4. FINANCIAL EFFECTS

The Acquisition is financed by internal funds and bank borrowings. The Acquisition is expected to contribute positively to the consolidated earnings per share and net tangible assets per share of the Group for the financial year ending 31 December 2022.

¹ Translated at the assumed exchange rate of £1: S\$1.8244, which was the exchange rate as of 31 December 2021.

5. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group's strategy to diversify overseas and grow its recurrent income base.

The Property is predominantly multi-let mainly to reputable tenants from the insurance, financial, legal and tech sectors. The long tenancies of the leases offer secure 10-year passing rent of £29 million translating to an attractive yield of 4%.

The Property will be held for long term investment. The Acquisition is part of the Company's ordinary course of business.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Executive Chairman and controlling shareholder of the Company, Mr Chua Thian Poh, together with the executive directors, Mr Nicholas Chua and Mr Ong Chong Hua will be appointed as directors of the Target. Save as disclosed herein, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions, other than through their shareholdings in the Company.

By Order of the Board

Wince Fung
Company Secretary

24 February 2022