

Ho Bee Land Limited

(Co. Reg. No.: 198702381M)

ANNOUNCEMENT

DIVESTMENT OF MUNICH OFFICE ASSET, ELEMENTUM

1. BACKGROUND

Ho Bee Land Limited (“HBL”) refers to the announcement on 26 March 2018 in relation to the agreement entered into by the Company with Credit Suisse AG, Singapore Branch (“CSAG”). Pursuant to the said agreement, HBL had committed to invest up to €92 million through the acquisition of Notes issued by Clouse S.A., Compartment 29 (the “Notes”).

The proceeds of the Notes were invested in a commercial property known as Elementum located at Bayerstrasse 49, 51, 53, Paul-Heyse-Strasse 7, Schwanthalerstrasse 46, 48, 50 Munich, Germany. CSAG has informed Notes holders that Elementum in Munich was recently divested (the “Divestment”).

Based on preliminary information furnished by CSAG on 15 March 2022, HBL’s estimated gain on the Notes investment is approximately €44.8 million. As of 31 December 2021, HBL had accounted for fair value gain amounting to €24.6 million on its investment of €78.6 million.

2. RELATIVE FIGURES PURSUANT TO RULE 1006

Based on the latest announced consolidated accounts of HBL as of 31 December 2021, the relative figures computed in accordance with Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”) are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value.	4.0%
(b)	Net profit attributable to the assets disposed of, compared with the Group’s net profits.	8.6%
(c)	Aggregate value of consideration received, compared with the market capitalisation ¹ of HBL based on total number of issued shares excluding treasury shares.	10.1%

¹ The market capitalisation of HBL, determined by multiplying the 664,016,400 shares in issue (excluding treasury shares) as at the date of this announcement by the weighted average price of HBL’s shares of approximately S\$2.81 on 16 March 2022.

Rule 1006	Bases	Relative Figures (%)
(d)	Number of equity securities issued by HBL as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

As the relative figures under Rule 1006(b) and (c) exceed 5% but are less than 20%, the Divestment constitutes a “disclosable transaction” as defined under Chapter 10 of the Listing Manual.

3. FINANCIAL EFFECTS

The financial effects of the Divestment on the Company are as follows:

(a) Net tangible assets (“NTA”) per share

For illustrative purposes only, assuming that the Divestment had been effected on 31 December 2021, being the end of the most recently completed financial year, the impact on the NTA of the Group is as follows:

	Before adjusting for the Divestment	After adjusting for the Divestment
NTA per share (S\$)	5.92	5.96 ²

(b) Earnings per share (“EPS”)

For illustrative purposes only, assuming that the Divestment had been effected on 1 January 2021, being the beginning of the most recently completed financial year, the impact on the EPS of the Group is as follows:

	Before adjusting for the Divestment	After adjusting for the Divestment
EPS (cents)	49.77	53.17 ³

The proceeds from the Divestment will be used for working capital purposes of the Group.

² Assuming that the proceeds from Divestment were translated at an exchange rate of €:S\$ of 1.5286, which was the exchange rate prevailing at the end of FY2021.

³ Assuming that the proceeds from Divestment were translated at an exchange rate of €:S\$ of 1.6256, which was the exchange rate prevailing at the beginning of FY2021.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of HBL has any interest, direct or indirect, in the above transactions, other than through their shareholdings in HBL.

5. DIRECTORS' SERVICE CONTRACT

There is no service contract for any director to be entered into for this transaction.

By Order of the Board

Nicholas Chua
Executive Director
Chief Executive Officer

17 March 2022