

**ANNOUNCEMENT**

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**RESPONSE TO SINGAPORE EXCHANGE REGULATION'S QUERIES ON  
ANNUAL REPORT FOR THE FINANCIAL YEAR 2022**

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The Board of Directors of Ho Bee Land Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) wishes to announce the following in response to the queries raised by Singapore Exchange Regulation (“**SGX RegCo**”) on the Group’s Annual Report for the financial year ended 31 December 2022 (“**FY2022**”).

**SGX RegCo’s query 1**

**Listing Rule 715(2) states that an issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. Please clarify how the Board has ensured that the Company has met the requirements of Rule 715(2) in regard to its three material associated companies. To substantiate the Audit Committee’s confirmation with specific information on each auditors’ track record, resource adequacy, as well as any other information required under Listing Rule 712.**

**Company’s response to query 1**

Page 131 of the Company’s FY2022 Annual Report (Financial section) disclosed the following three material associated companies and its auditors are as follows:

- (i) Shanghai Yanlord Hongqiao Property Co., Ltd, audited by 上海中惠会计师事务所, a CPA firm, China;
- (ii) Zhuhai Yanlord Heyou Land Co., Ltd audited by 珠海德鸿会计师事务所有限公司, a CPA firm, China; and
- (iii) Nanjing Yusheng Real Estate Co., Ltd 江苏兴瑞会计师事务所有限公司, a CPA firm, China.

Management had assessed that these three associated companies were sufficiently material to require the financial reporting disclosures on pages 131 and 132 of the Company’s FY2022 Annual Report, even though they did not meet the thresholds for a significant associated company under Listing Rule 718’s definitions.

Listing Rule 718 states that a subsidiary or associated company is considered significant if its net tangible assets (“**NTA**”) represent 20% or more of the issuer’s consolidated NTA, or its pre-tax profits (“**PTP**”) account for 20% or more of the issuer’s consolidated PTP.

## Ho Bee Land Limited Announcement

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### Company's response to query 1 (cont'd)

The controlling shareholder of these associated companies engages a suitable local audit firm to conduct the audits. The controlling shareholder of Shanghai Yanlord Hongqiao Property Co., Ltd and Zhuhai Yanlord Heyou Land Co., Ltd is Yanlord Land Group Limited, which is listed on the Singapore Exchange. The Group's 7.8% indirect interest in Nanjing Yusheng Real Estate Co., Ltd is held via its shareholding in Shanghai Yanlord Hongqiao Property Co., Ltd.

The Audit and Risk Committee requires the Company's internal auditors to conduct audits on the Group's subsidiaries and associated companies on a rotational basis, to assess the adequacy and effectiveness of internal controls that are in place in those companies. In addition to relying on the audited financial statements from the local auditors for financial reporting purposes, the Company's external auditors have also been given access to the local auditors to perform additional audit procedures if required.

### SGX RegCo's query 2

**If there are material discrepancies between an issuer's preliminary full year results and its audited full year results, the issuer is required to disclose and explain the material discrepancies via an SGXNET announcement pursuant to Listing Rule 704(6).**

**Please explain the material discrepancies in net cash generated from operating activities carried forward on page 99 of Annual Report FY2022, when compared to the Company's unaudited Financial Statements for FY2022 announced on 27 February 2023.**

### Company's response to query 2

Differences between the audited statement of cash flows contained in the Group's FY2022 Annual Report and the unaudited statement of cash flows announced on 27 February 2023, in respect of FY2022 cash flows are as follows:

Group	Annual Report Page no.	Unaudited S\$'000	Audited S\$'000	Variance S\$'000
Net cash generated from operating activities	99	42,306	57,091	14,785
Net cash generated from financing activities	100	1,060,629	1,045,844	(14,785)

The differences relate to a reclassification of an amount which was repaid to a non-controlling shareholder of a subsidiary amounting to S\$14,785,000. Arising from the audit, this repayment was reclassified from operating activities to financing activities for FY2022 and has no impact on the total movements in cash and cash equivalents in FY2022.

By Order of the Board

Nicholas Chua  
Executive Director  
Chief Executive Officer

13 April 2023