

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

Condensed Interim Financial Statements
For the six months ended 30 June 2021

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 % |
|--|------|--------------------------------------|-----------------|---------------|
| | | 6 months ended 30 th June | | |
| | | 2021 \$'000 | 2020 \$'000 | |
| Revenue | 3 | 157,280 | 107,335 | 46.5 |
| Other income | | 1,678 | 1,478 | 13.5 |
| Total income | | 158,958 | 108,813 | 46.1 |
| Fair value loss on investment properties | 7 | (3,719) | – | NM |
| Cost of sales – residential development projects | | (36,410) | – | NM |
| Direct rental expenses | | (9,450) | (7,305) | 29.4 |
| (Loss)/Gain on foreign exchange | | (1,222) | 5,738 | NM |
| Staff costs & directors' remuneration | | (10,994) | (10,368) | 6.0 |
| Other operating expenses | | (4,091) | (3,631) | 12.7 |
| Profit from operating activities | | 93,072 | 93,247 | (0.2) |
| Net finance costs | | (19,401) | (23,112) | (16.1) |
| Share of profits, net of tax, of: | | | | |
| - associates | | 10,823 | 31,326 | (65.5) |
| - jointly-controlled entities | | 49,956 | 2,985 | NM |
| Profit before income tax | 4 | 134,450 | 104,446 | 28.7 |
| Income tax expense | 5(a) | (19,881) | (13,705) | 45.1 |
| Profit for the period | | 114,569 | 90,741 | 26.3 |
| Profit attributable to: | | | | |
| Owners of the Company | | 105,528 | 90,610 | 16.5 |
| Non-controlling interests | | 9,041 | 131 | NM |
| Profit for the period | | 114,569 | 90,741 | 26.3 |
| Earnings per share | | | | |
| Basic earnings per share (cents) | 13 | 15.89 | 13.62 | 16.7 |
| Diluted earnings per share (cents) | 13 | 15.89 | 13.62 | 16.7 |

NM : Not Meaningful

B. Condensed interim consolidated statement of comprehensive income

| | Group | | Change % |
|---|---------------------------------|----------------|-------------|
| | 6 months ended 30 th | | |
| | 2021 \$'000 | 2020 \$'000 | |
| Profit for the period | 114,569 | 90,741 | 26.3 |
| Items that are or may be reclassified subsequently to profit or loss: | | | |
| Effective portion of changes in fair value of cash flow hedges | 11,987 | (20,044) | NM |
| Foreign currency translation differences relating to foreign operations | 15,662 | (9,527) | NM |
| Net gain/ (loss) on hedges of net investment in foreign operations | 4,867 | (4,811) | NM |
| Share of foreign currency translation differences of equity-accounted investees | 12,533 | 9,832 | 27.5 |
| Total other comprehensive income for the period, net of income tax | 45,049 | (24,550) | NM |
| Total comprehensive income for the period | 159,618 | 66,191 | 141.1 |
| Attributable to: | | | |
| Owners of the Company | 150,167 | 65,566 | 129.0 |
| Non-controlling interests | 9,451 | 625 | NM |
| Total comprehensive income for the period | 159,618 | 66,191 | 141.1 |

NM : Not Meaningful

C. Condensed interim statements of financial position

| | Note | Group | | Company | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 30.06.2021 \$'000 | 31.12.2020 \$'000 | 30.06.2021 \$'000 | 31.12.2020 \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 43,587 | 43,526 | 3,254 | 3,494 |
| Investment properties | 7 | 4,935,372 | 4,629,845 | – | – |
| Deposit for land premium | | – | 55,900 | – | – |
| Subsidiaries | | – | – | 181,637 | 181,535 |
| Associates | | 428,705 | 414,050 | 225,143 | 233,270 |
| Jointly-controlled entities | | 369,416 | 315,011 | 231,266 | 231,266 |
| Other assets | | 150 | 150 | – | – |
| Financial assets | 8 | 191,244 | 174,508 | 187,716 | 174,086 |
| Other receivables | | 245,575 | 252,528 | 1,130,270 | 1,063,780 |
| Deferred tax assets | | 78 | 112 | – | – |
| | | 6,214,127 | 5,885,630 | 1,959,286 | 1,887,431 |
| Current assets | | | | | |
| Development properties | 10 | 258,495 | 267,458 | – | – |
| Trade and other receivables | | 56,646 | 54,431 | 18,044 | 17,053 |
| Cash and cash equivalents | | 70,538 | 118,739 | 3,721 | 47,712 |
| | | 385,679 | 440,628 | 21,765 | 64,765 |
| Total assets | | 6,599,806 | 6,326,258 | 1,981,051 | 1,952,196 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 12 | 156,048 | 156,048 | 156,048 | 156,048 |
| Reserves | | 3,551,846 | 3,468,081 | 1,686,611 | 1,726,785 |
| | | 3,707,894 | 3,624,129 | 1,842,659 | 1,882,833 |
| Non-controlling interests | | 24,892 | 16,541 | – | – |
| Total equity | | 3,732,786 | 3,640,670 | 1,842,659 | 1,882,833 |
| Non-current liabilities | | | | | |
| Loans and borrowings | 9 | 2,144,295 | 1,995,634 | 1,546 | 2,113 |
| Other liabilities | | 30,500 | 32,295 | – | – |
| Deferred income | | 43,639 | 44,594 | – | – |
| Deferred tax liabilities | | 21,330 | 19,053 | – | – |
| | | 2,239,764 | 2,091,576 | 1,546 | 2,113 |
| Current liabilities | | | | | |
| Trade and other payables | | 76,981 | 90,385 | 100,671 | 31,546 |
| Loans and borrowings | 9 | 488,216 | 433,901 | 35,525 | 34,460 |
| Deferred income | | 1,671 | 1,671 | – | – |
| Current tax payable | 5(b) | 60,388 | 68,055 | 650 | 1,244 |
| | | 627,256 | 594,012 | 136,846 | 67,250 |
| Total liabilities | | 2,867,020 | 2,685,588 | 138,392 | 69,363 |
| Total equity and liabilities | | 6,599,806 | 6,326,258 | 1,981,051 | 1,952,196 |

D. Condensed interim statements of changes in equity

| Group | ←----- Attributable to owners of the Company -----> | | | | | | Total \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|--|---|-------------------------------------|------------------------------|------------------------------|---|--------------------------------|-----------------|--|---------------------------|
| | Share capital \$'000 | Reserve for own shares \$'000 | Capital reserve \$'000 | Hedging reserve \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | | | |
| At 1 January 2020 | 156,048 | (65,079) | 791 | (15,230) | (48,645) | 3,512,769 | 3,540,654 | 12,476 | 3,553,130 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | – | – | – | – | – | 90,610 | 90,610 | 131 | 90,741 |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | – | – | – | (20,044) | – | – | (20,044) | – | (20,044) |
| Foreign currency translation differences relating to foreign operations | – | – | – | – | (10,021) | – | (10,021) | 494 | (9,527) |
| Net loss on hedge of net investment in foreign operations | – | – | – | – | (4,811) | – | (4,811) | – | (4,811) |
| Share of foreign currency translation differences of equity-accounted investees | – | – | – | – | 9,832 | – | 9,832 | – | 9,832 |
| Total other comprehensive income | – | – | – | (20,044) | (5,000) | – | (25,044) | 494 | (24,550) |
| Total comprehensive income for the period | – | – | – | (20,044) | (5,000) | 90,610 | 65,566 | 625 | 66,191 |
| Transactions with owners of the Company, recognised directly in equity | | | | | | | | | |
| Distributions to owners of the Company | | | | | | | | | |
| Dividend paid to non-controlling shareholder | – | – | – | – | – | – | – | (150) | (150) |
| Final tax-exempt dividend paid of 8 cents and special dividend of 2 cents per share in respect of 2019 | – | – | – | – | – | (66,523) | (66,523) | – | (66,523) |
| Total distributions to owners of the Company | – | – | – | – | – | (66,523) | (66,523) | (150) | (66,673) |
| At 30 June 2020 | 156,048 | (65,079) | 791 | (35,274) | (53,645) | 3,536,856 | 3,539,697 | 12,951 | 3,552,648 |

D. Condensed interim statements of changes in equity (cont'd)

| Group | ←----- Attributable to owners of the Company -----> | | | | | | Total \$'000 | Non- controlling interests \$'000 | Total equity \$'000 |
|--|---|-------------------------------------|------------------------------|------------------------------|---|--------------------------------|-----------------|--|---------------------------|
| | Share capital \$'000 | Reserve for own shares \$'000 | Capital reserve \$'000 | Hedging reserve \$'000 | Foreign currency translation reserve \$'000 | Retained earnings \$'000 | | | |
| At 1 January 2021 | 156,048 | (67,796) | 791 | (33,500) | (14,725) | 3,583,311 | 3,624,129 | 16,541 | 3,640,670 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | – | – | – | – | – | 105,528 | 105,528 | 9,041 | 114,569 |
| Other comprehensive income | | | | | | | | | |
| Effective portion of changes in fair value of cash flow hedges | – | – | – | 11,987 | – | – | 11,987 | – | 11,987 |
| Foreign currency translation differences relating to foreign operations | – | – | – | – | 15,252 | – | 15,252 | 410 | 15,662 |
| Net gain on hedge of net investment in foreign operations | – | – | – | – | 4,867 | – | 4,867 | – | 4,867 |
| Share of foreign currency translation differences of equity-accounted investees | – | – | – | – | 12,533 | – | 12,533 | – | 12,533 |
| Total other comprehensive income | – | – | – | 11,987 | 32,652 | – | 44,639 | 410 | 45,049 |
| Total comprehensive income for the period | – | – | – | 11,987 | 32,652 | 105,528 | 150,167 | 9,451 | 159,618 |
| Transactions with owners of the Company, recognised directly in equity | | | | | | | | | |
| Distributions to owners of the Company | | | | | | | | | |
| Dividend paid to non-controlling shareholder | – | – | – | – | – | – | – | (1,100) | (1,100) |
| Final tax-exempt dividend paid of 8 cents and special dividend of 2 cents per share in respect of 2020 | – | – | – | – | – | (66,402) | (66,402) | – | (66,402) |
| Total distributions to owners of the Company | – | – | – | – | – | (66,402) | (66,402) | (1,100) | (67,502) |
| At 30 June 2021 | 156,048 | (67,796) | 791 | (21,513) | 17,927 | 3,622,437 | 3,707,894 | 24,892 | 3,732,786 |

D. Condensed interim statements of changes in equity (cont'd)

| Company | Share capital \$'000 | Reserve for own shares \$'000 | Capital reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|---------------------------------|--|---------------------------------------|---|------------------------------------|
| At 1 January 2020 | 156,048 | (65,079) | – | 1,645,613 | 1,736,582 |
| Total comprehensive income for the period | – | – | – | 14,976 | 14,976 |
| Dividends paid | – | – | – | (66,523) | (66,523) |
| At 30 June 2020 | 156,048 | (65,079) | – | 1,594,066 | 1,685,035 |

| | Share capital \$'000 | Reserve for own shares \$'000 | Capital reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|-------------------------------------|--|---------------------------------------|---|------------------------------------|
| At 1 January 2021 | 156,048 | (67,796) | – | 1,794,581 | 1,882,833 |
| Total comprehensive income for the period | – | – | – | 26,228 | 26,228 |
| Dividends paid | – | – | – | (66,402) | (66,402) |
| At 30 June 2021 | 156,048 | (67,796) | – | 1,754,407 | 1,842,659 |

E. Condensed interim consolidated statement of cash flows

| | Note | Group | |
|---|------|--------------------------------------|---------------|
| | | 6 months ended 30 th June | |
| | | 2021 | 2020 |
| | | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Profit for the period | | 114,569 | 90,741 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment and right-of-use assets | | 422 | 379 |
| Gain on disposal of property, plant and equipment | 6 | (17) | – |
| Unrealised exchange loss/(gain) | | 1,295 | (3,726) |
| Interest income | | (1,595) | (1,263) |
| Allowance for doubtful receivables | | 465 | – |
| Dividend income from: | | | |
| - investment designated at FVTPL | | (14) | (13) |
| Distribution income from financial assets designated at fair value through profit or loss | | (46) | (1) |
| Finance costs | | 20,996 | 24,375 |
| Net changes in fair value of investment properties | | 3,719 | – |
| Net changes in fair value of financial assets designated at fair value through profit or loss | | (377) | (41) |
| Share of profits of: | | | |
| - associates | | (10,823) | (31,326) |
| - jointly-controlled entities | | (49,956) | (2,985) |
| Income tax expense | 5 | 19,881 | 13,705 |
| | | 98,519 | 89,845 |
| Changes in: | | | |
| Development properties | | 10,837 | (23,616) |
| Trade and other receivables | | 5,580 | (8,525) |
| Trade and other payables | | (16,809) | (2,715) |
| Cash generated from operations | | 98,127 | 54,989 |
| Income taxes paid | | (26,224) | (15,310) |
| Net cash generated from operating activities | | 71,903 | 39,679 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 6 | (664) | (8,701) |
| Proceeds from sale of property, plant and equipment | 6 | 157 | – |
| Interest received | | 337 | 1,263 |
| Dividends received from: | | | |
| - investment designated at FVTPL | | 14 | 13 |
| - equity-accounted investee | | – | 21,536 |
| Investment in jointly-controlled entities | | (4,758) | (607) |
| Distribution from associates (capital reduction) | | 8,235 | – |
| Repayment from jointly-controlled entities (non-trade) | | 12,843 | 3,596 |
| Additions to investment properties | 7 | (175,700) | (6,713) |

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

| | Group | |
|---|---------------------------------|------------------|
| | 6 months ended 30th June | |
| Note | 2021 | 2020 |
| | \$'000 | \$'000 |
| Deposit for land premium | – | (55,900) |
| Purchase of financial assets designated at FVTPL | (19,419) | (45,960) |
| Distributions from financial assets designated at fair value through profit or loss | 138 | 122 |
| Net cash used in investing activities | (178,817) | (91,351) |
| Cash flows from financing activities | | |
| Proceeds from bank loans | 207,562 | 167,330 |
| Repayment of bank loans | (61,615) | (126,088) |
| Payment of lease liability | (18) | – |
| Interest paid | (20,996) | (24,375) |
| Dividends paid | (66,402) | (66,523) |
| Dividend paid to non-controlling shareholder | (1,100) | (150) |
| Net cash generated from/(used in) financing activities | 57,431 | (49,806) |
| Net decrease in cash and cash equivalents | (49,483) | (101,478) |
| Cash and cash equivalents at 1 January | 118,739 | 191,378 |
| Effect of exchange rate fluctuations on cash held | 1,282 | (1,428) |
| Cash and cash equivalents at 30 June | 70,538 | 88,472 |

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 2021 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 2021 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 2020.

The condensed interim financial statements for the six months end 30 June 2021 have been prepared on a going concern basis notwithstanding that as at 30 June 2021, the Group's total current liabilities exceeded its total current assets by \$241,577,000 (31 Dec 2020: \$153,384,000). The Group expects to refinance \$386,000,000 of its short-term borrowings in the next 12 months and is confident that the refinancing of the facilities will occur as required. Coupled with the undrawn revolving credit facilities available to the Group, the expected capital distribution from the Group's associates and jointly-controlled entity in China, and the estimated positive cash flows from the Group's operations, management assessed that the Group will be able to meet its obligations that are due within the next twelve months.

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 as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

The Group has applied the following amendment to SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- *Interest Rate Benchmark Reform – Phase 2* (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

The application of these amendments to standards and interpretations 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.

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 2020.

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.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the interim financial statements or have a significant risk of resulting in a material adjustment within the next interim period are included in the following notes:

- Note 2 – Management's use of the going concern basis for accounting
- Note 5 – Estimation of provisions for current and deferred taxation
- Note 7 – Valuation of investment properties
- Note 8 – Valuation of financial instruments
- Note 10 – Measurement of realisable amounts of development properties

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. For each of the strategic business units, the Group Executive Director reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Property investment : The investment in properties.
- Property development : The development and trading in properties.

Other segments include investing in equity securities, private equity and European property funds. 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 included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group Executive Director. Segment gross profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to their entities that operate within these industries.

3.1 Reportable segments

| | Property Development \$'000 | Property Investment \$'000 | Others \$'000 | Total \$'000 |
|--|-----------------------------------|----------------------------------|------------------|------------------|
| 1 January 2021 to 30 June 2021 | | | | |
| Revenue from external parties* | 43,350 | 113,930 | – | 157,280 |
| Operating results | 6,940 | 104,480 | – | 111,420 |
| Other operating income | | | | 1,678 |
| Other operating expenses | | | | (20,026) |
| Profit from operations | | | | 93,072 |
| Finance costs | | | | (19,401) |
| Share of profits of associates | | | | 10,823 |
| Share of profits of jointly- controlled entities | | | | 49,956 |
| Income tax expense | | | | (19,881) |
| Profit for the period | | | | 114,569 |
| Other material non-cash items: | | | | |
| - Fair value changes on investment properties | – | (3,719) | – | (3,719) |
| Capital expenditure | 14 | 154 | 496 | 664 |
| Reportable segment assets | 299,473 | 4,989,271 | 191,244 | 5,479,988 |
| Investments in associates and jointly-controlled entities** | 872,063 | – | – | 872,063 |
| Reportable segment liabilities | 38,987 | 2,687,795 | – | 2,726,782 |

* There is no inter-segment revenue during the six month period ended 30 June 2021.

** Include amounts due from jointly-controlled entities which are in substance, a part of the Group's investments in the jointly-controlled entities.

3.1 Reportable segments (cont'd)

| | Property Development \$'000 | Property Investment \$'000 | Others \$'000 | Total \$'000 |
|--|-----------------------------------|----------------------------------|------------------|------------------|
| 1 January 2020 to 30 June 2020 | | | | |
| Revenue from external parties* | – | 107,335 | – | 107,335 |
| Operating results | – | 100,030 | – | 100,030 |
| Other operating income | | | | 7,216 |
| Other operating expenses | | | | (13,999) |
| Profit from operations | | | | 93,247 |
| Finance costs | | | | (23,112) |
| Share of profits of associates | | | | 31,326 |
| Share of profits of jointly- controlled entities | | | | 2,985 |
| Income tax expense | | | | (13,705) |
| Profit for the period | | | | 90,741 |
| Other material non-cash items | – | – | – | – |
| Capital expenditure | – | 8,701 | – | 8,701 |
| Deposit for land premium | – | 55,900 | – | 55,900 |
| Reportable segment assets | 283,866 | 4,594,720 | 154,861 | 5,033,447 |
| Investments in associates and jointly-controlled entities** | 852,558 | – | – | 852,558 |
| Reportable segment liabilities | 34,751 | 2,463,952 | – | 2,498,703 |

* There is no inter-segment revenue during the six month period ended 30 June 2020.

** 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, United Kingdom and Australia.

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

| | Singapore \$'000 | United Kingdom \$'000 | Australia \$'000 | Consolidated total \$'000 |
|--|---------------------|-----------------------------|---------------------|---------------------------------|
| 1 January 2021 to 30 June 2021 | | | | |
| Sale of development properties, transferred at a point in time | 6,029 | – | 37,321 | 43,350 |
| Rental income and service charges | 50,078 | 63,084 | 768 | 113,930 |
| Total revenue | 56,107 | 63,084 | 38,089 | 157,280 |

| | | | | |
|--|---------------|---------------|------------|----------------|
| 1 January 2020 to 30 June 2020 | | | | |
| Sale of development properties, transferred at a point in time | – | – | – | – |
| Rental income and service charges | 50,023 | 56,796 | 516 | 107,335 |
| Total revenue | 50,023 | 56,796 | 516 | 107,335 |

4. Profit before taxation

The following items have been included in arriving at profit before taxation:

| | Group | |
|--|---|---------------|
| | 6 months ended 30th June 2021 | 2020 |
| | \$'000 | \$'000 |
| Income | | |
| Government grant income | – | 1,591 |
| Government grant expense | – | (1,575) |
| Income from tenants' usage of chilled water and air- conditioning | 599 | 642 |
| Interest income | 1,595 | 1,263 |
| Net change in fair value on financial assets at fair value through profit or loss | 377 | 41 |

4. Profit before taxation (cont'd)

| | Group | |
|--|--------------------------------------|----------|
| | 6 months ended 30 th June | |
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Expenses | | |
| Direct operating expenses from investment properties | (7,792) | (5,947) |
| Depreciation of property, plant and equipment | (390) | (377) |
| Depreciation of right-of-use assets | (32) | (2) |
| Staff costs | (10,994) | (10,368) |
| Interest expense | (20,996) | (24,375) |
| Allowance for doubtful receivables | (465) | – |

5. Income tax expense

- (a) The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | Group | |
|--|--------------------------------------|---------------|
| | 6 months ended 30 th June | |
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Current tax expense | | |
| Current period | 15,316 | 11,820 |
| Over provision of tax in prior years | (298) | (1,179) |
| | <u>15,018</u> | <u>10,641</u> |
| Deferred tax expense | | |
| Movements in temporary differences | 1,940 | (127) |
| Over provision in respect of prior years | – | (292) |
| | <u>1,940</u> | <u>(419)</u> |
| Withholding taxes | 2,923 | 3,483 |
| Total income tax expense | <u>19,881</u> | <u>13,705</u> |

- (b) In the previous years, IRAS has raised additional tax assessments in respect of gains arising from the disposal of certain investment properties held for long term investment. The Group has objected to these assessments and the matter is now pending review by the tax authorities. Full payment/provision have been made in the previous years.

6. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$664,000 (30 June 2020: \$8,701,000) and disposed of assets amounting to \$140,000 (30 June 2020: nil)

7. Investment properties

| | Group | |
|---|-----------|-----------|
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Freehold properties | | |
| At 1 January | 2,448,639 | 2,417,394 |
| Changes in fair value for the period/year | (3,719) | (16,830) |
| Movements in exchange rates for the period/year | 75,147 | 48,075 |
| At end of interim period/financial year | 2,520,067 | 2,448,639 |
| Leasehold properties | | |
| At 1 January | 2,181,206 | 2,182,972 |
| Additions/ capital expenditure for the period/year | 175,700 | 12,591 |
| Reclassification from deposit for land premium* | 55,900 | – |
| Changes in fair value for the period/year | – | (15,962) |
| Movements in exchange rates for the period/year | 2,499 | 1,605 |
| At end of interim period/financial year | 2,415,305 | 2,181,206 |
| Total investment properties at end of interim period/ financial year | 4,935,372 | 4,629,845 |
| Comprising: | | |
| – Completed investment properties | 4,691,181 | 4,617,254 |
| – Investment properties under development | 244,191 | 12,591 |
| | 4,935,372 | 4,629,845 |

* The deposit for land premium pertains to the progressive payment made for the acquisition of the Biopolis Phase 6 land parcel located at Buona Vista, Singapore in 2020. Following the payment of the balance of land premium and assumption of the land title, the Group reclassified the deposit for land premium to investment properties in the six months period ended 30 June 2021. Construction of the biomedical science development has commenced.

Investment properties comprise a number of commercial properties that are leased to third party customers. 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 carrying value of the investment properties as at 31 December 2020 were based on valuations conducted by independent valuers Savills Valuation & Professional Services (S) Pte Ltd and Cushman & Wakefield Debenham Tie Leung Limited. The valuers have considered valuation techniques including 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 2021 are based on 31 December 2020 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. In making this assessment, management has taken into account 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 December 2020. Following management's assessment, the Group recognised a net fair value loss of \$3,719,000 on its investment portfolio for the six months period ended 30 June 2021.

7. Investment properties (cont'd)

Covid-19 has created more market uncertainty which could impact property valuations in the short-term. As such, the estimates of fair values of investment properties as at 30 June 2021 are subject to a high degree of uncertainty, and values may change rapidly and/or significantly when there are new developments. An independent valuation of the investment properties will be conducted at the end of this financial year to assess the changes in fair value after 30 June 2021.

Valuation technique and significant unobservable inputs

In determining the fair value, valuation techniques including market comparison method and the income capitalisation method were used. These valuation techniques involve the use of certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate, comparable market price and occupancy rate.

The following table shows the key unobservable inputs used in the valuation models for deriving Level 3 fair values as at 30 June 2021:

| Type | Valuation technique | Key unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|--------------------------------|---|--|
| Commercial properties in Singapore | Market comparison method | Transacted price of comparable properties ¹ : 30 June 2021: \$585 - \$2,301 psf (31 Dec 2020: \$585 - \$2,301 psf) | The estimated fair value would increase/(decrease) if: - The transacted price of comparable properties was higher/(lower) |
| | Income capitalisation approach | Capitalisation rates: 30 June 2021: 3.50% - 5.00% (31 Dec 2020: 3.50% - 5.00%) | The estimated fair value would increase/(decrease) if: - The capitalisation rate was lower/(higher) |
| Commercial properties in United Kingdom | Income capitalisation approach | Capitalisation rates: 30 June 2021: 4.10% - 5.50% (31 Dec 2020: 4.02% - 5.50%) | The estimated fair value would increase/(decrease) if: - The capitalisation rate was lower/(higher) |

1 Adjusted for any differences in location, tenure, size and conditions of the specific property.

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment property. Capital adjustments are then made to derive the capital value of the property.

8. Financial instruments

Estimation of fair values for financial assets and liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

| 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 June 2021 | | | | | | |
| Trade and other receivables* | 267,558 | – | – | – | – | 267,558 |
| Financial assets at FVOCI | – | – | 78 | – | – | 78 |
| Financial assets at FVTPL | – | 191,166 | – | – | – | 191,166 |
| Cash and cash equivalents | 70,538 | – | – | – | – | 70,538 |
| Loans and borrowings | – | – | – | – | (2,632,511) | (2,632,511) |
| Trade and other payables** | – | – | – | (21,513) | (79,862) | (101,375) |
| | <u>338,096</u> | <u>191,166</u> | <u>78</u> | <u>(21,513)</u> | <u>(2,712,373)</u> | <u>(2,204,546)</u> |
| 31 December 2020 | | | | | | |
| Trade and other receivables* | 290,928 | – | – | – | – | 290,928 |
| Financial assets at FVOCI | – | – | 77 | – | – | 77 |
| Financial assets at FVTPL | – | 174,431 | – | – | – | 174,431 |
| Cash and cash equivalents | 118,739 | – | – | – | – | 118,739 |
| Loans and borrowings | – | – | – | – | (2,429,535) | (2,429,535) |
| Trade and other payables** | – | – | – | (33,500) | (79,491) | (112,991) |
| | <u>409,667</u> | <u>174,431</u> | <u>77</u> | <u>(33,500)</u> | <u>(2,509,026)</u> | <u>(1,958,351)</u> |

* Excludes prepayments, deposits for land premium for development properties, and goods and services tax recoverable.

** Excludes goods and services tax payable.

8. Financial instruments (cont'd)

| Company | Financial assets at amortised cost \$'000 | Financial assets at FVTPL \$'000 | Financial liabilities at amortised cost \$'000 | Total \$'000 |
|------------------------------|--|---|--|------------------|
| 30 June 2021 | | | | |
| Trade and other receivables* | 1,147,987 | – | – | 1,147,987 |
| Financial assets at FVTPL | – | 187,716 | – | 187,716 |
| Cash and cash equivalents | 3,721 | – | – | 3,721 |
| Loans and borrowings | – | – | (37,071) | (37,071) |
| Trade and other payables** | – | – | (100,433) | (100,433) |
| | <u>1,151,708</u> | <u>187,716</u> | <u>(137,504)</u> | <u>1,201,920</u> |
| 31 December 2020 | | | | |
| Trade and other receivables* | 1,080,779 | – | – | 1,080,779 |
| Financial assets at FVTPL | – | 174,086 | – | 174,086 |
| Cash and cash equivalents | 47,712 | – | – | 47,712 |
| Loans and borrowings | – | – | (36,573) | (36,573) |
| Trade and other payables** | – | – | (31,309) | (31,309) |
| | <u>1,128,491</u> | <u>174,086</u> | <u>(67,882)</u> | <u>1,234,695</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 as at 30 June 2021 and 31 December 2020. Fair value disclosure of lease liability is not required.

8.1 Financial assets

| | Group | | Company | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2021 \$'000 | 31.12.2020 \$'000 | 30.06.2021 \$'000 | 31.12.2020 \$'000 |
| Non-current | | | | |
| Investments designated at FVTPL: | | | | |
| - Quoted equity securities | 3,207 | – | – | – |
| - Private equity funds | 243 | 345 | – | – |
| - European property fund | 42,159 | 41,212 | 42,159 | 41,212 |
| Investments mandatorily at FVTPL: | | | | |
| - Debt instruments – subscription of notes | 145,557 | 132,874 | 145,557 | 132,874 |
| Investments designated at FVOCI: | | | | |
| - Unquoted equity securities | 78 | 77 | – | – |
| | <u>191,244</u> | <u>174,508</u> | <u>187,716</u> | <u>174,086</u> |

The fair value of the Group's and the Company's financial assets designated at FVTPL and FVOCI is determined by reference to their quoted bid price at the balance sheet date. If a quoted market price is not available, the fair value of the financial assets is estimated using valuation techniques. Valuation techniques include recent arm's length prices, comparisons to similar instruments for which market observable prices exist, valuation models or discounted cash flow techniques.

The fair value of the Group's unquoted investments in private equity funds, European Property Fund and debt instruments (notes) are determined based on quotations from the respective fund managers.

8.1 Financial assets (cont'd)

Fair value hierarchy

The table below analyses financial assets 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 carried at fair value | | | | |
| Group | | | | |
| 30 June 2021 | | | | |
| Financial assets carried at FVTPL | 3,207 | – | 187,959 | 191,166 |
| Financial assets designated at FVOCI | – | – | 78 | 78 |
| Interest rate swaps used for hedging | – | (21,513) | – | (21,513) |
| | <u>3,207</u> | <u>(21,513)</u> | <u>188,037</u> | <u>169,731</u> |
| 31 December 2020 | | | | |
| Financial assets carried at FVTPL | – | – | 174,431 | 174,431 |
| Financial assets designated at FVOCI | – | – | 77 | 77 |
| Interest rate swaps used for hedging | – | (33,500) | – | (33,500) |
| | <u>–</u> | <u>(33,500)</u> | <u>174,508</u> | <u>141,008</u> |

8.1 Financial assets (cont'd)

Level 2 fair values

The Group entered into interest rate swaps to hedge its interest rate exposure on its variable rate borrowings. The interest rate swaps are carried at fair value at each reporting date, based on broker quotes. 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.

| | Group | |
|--|---|--|
| | Contract/ notional amount \$'000 | Fair value of assets \$'000 |
| 30 June 2021 | | |
| Cash flow hedges – Interest rate swaps | 450,000 | (21,513) |
| 31 December 2020 | | |
| Cash flow hedges – Interest rate swaps | 450,000 | (33,500) |

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

| | Financial assets at FVTPL \$'000 | Financial assets at FVOCI \$'000 | Total \$'000 |
|--|---|---|-------------------------|
| Group 2021 | | | |
| At 1 January | 174,431 | 77 | 174,508 |
| Net changes in fair value | (13) | – | (13) |
| Distribution income | 46 | – | 46 |
| Exchange (loss)/gain recognised in profit or loss | (2,929) | 1 | (2,928) |
| Purchases | 16,562 | – | 16,562 |
| Distributions from financial assets designated at FVTPL | (138) | – | (138) |
| At 30 June | 187,959 | 78 | 188,037 |
| Total (loss)/gain for the period included in profit or loss for assets held as at 30 June | (2,896) | 1 | (2,895) |

8.1 Financial assets (cont'd)

Level 3 fair values (cont'd)

| Group | Financial assets at FVTPL \$'000 | Financial assets at FVOCI \$'000 | Total \$'000 |
|---|---|---|-------------------------|
| 2020 | | | |
| At 1 January | 103,342 | 78 | 103,420 |
| Net changes in fair value | (66) | – | (66) |
| Distribution income | 113 | – | 113 |
| Exchange gain/(loss) recognised in profit or loss | 11,297 | (1) | 11,296 |
| Purchases | 59,977 | – | 59,977 |
| Distributions from financial assets designated at FVTPL | (232) | – | (232) |
| At 31 December | <u>174,431</u> | <u>77</u> | <u>174,508</u> |
| Total gain/(loss) for the year included in profit or loss for assets held as at 31 December | <u>11,344</u> | <u>(1)</u> | <u>11,343</u> |

The gain/(loss) included in profit or loss for the period/year (above) is presented as follows:

| | 6 months ended 30th June 2021 \$'000 | Year ended 31st Dec 2020 \$'000 |
|--|--|---|
| Other income | | |
| Fair value loss for the period/year | (13) | (66) |
| Distribution income for the period/year | 46 | 113 |
| | <u>33</u> | <u>47</u> |
| (Loss)/gain on foreign exchange | | |
| Exchange (loss)/gain recognised for the period/year | <u>(2,928)</u> | <u>11,296</u> |
| Total (loss)/gain included in profit or loss for the period/year | <u>(2,895)</u> | <u>11,343</u> |

The fair value of financial assets at fair value through profit or loss is determined by the investment property/fund manager based on the net asset value of the funds, which had underlying unlisted investments categorised as Level 3 in the fair value hierarchy. The fair value of such underlying investments is determined based on various unobservable inputs including contractual agreements, current and projected operating performance, rounds of financing and third-party transactions, discounted cash flow analysis and market-based information, including comparable company transactions, trading multiple and changes in market outlook, among other factors.

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. Loan and borrowings

| | Group | | Company | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2021 \$'000 | 31.12.2020 \$'000 | 30.06.2021 \$'000 | 31.12.2020 \$'000 |
| Non-current liabilities | | | | |
| Secured bank loans | 2,144,295 | 1,995,634 | – | – |
| Lease liabilities | – | – | 1,546 | 2,113 |
| | <u>2,144,295</u> | <u>1,995,634</u> | <u>1,546</u> | <u>2,113</u> |
| Current liabilities | | | | |
| Secured bank loans | 488,049 | 433,714 | 34,399 | 33,348 |
| Lease liabilities | 167 | 187 | 1,126 | 1,112 |
| | <u>488,216</u> | <u>433,901</u> | <u>35,525</u> | <u>34,460</u> |
| | <u>2,632,511</u> | <u>2,429,535</u> | <u>37,071</u> | <u>36,573</u> |

The bank loans are secured over certain investment properties and development properties of the Group.

In addition, the Group's bank loans are secured by legal assignment of sales and rental proceeds of the properties pledged.

10. Development Properties

| | Group | |
|--|----------------------|----------------------|
| | 30.06.2021 \$'000 | 31.12.2020 \$'000 |
| <i>Properties for which revenue is to be recognised at a point in time</i> | | |
| Properties held for sale | 191,573 | 200,404 |
| Properties under development | 67,482 | 67,599 |
| | <u>259,055</u> | <u>268,003</u> |
| Allowance for foreseeable losses | (560) | (545) |
| Total development properties | <u>258,495</u> | <u>267,458</u> |

For the six months ended 30 June 2021, development properties of \$34,196,000 (2020: \$583,000) were recognised as cost of sales and included in 'cost of sales – residential development project'.

Movements in allowance for foreseeable losses are as follows:

| | Group | |
|---|----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 |
| At 1 January | (545) | – |
| Allowance made for the period/year | – | (536) |
| Movement in exchange difference for the period/year | (15) | (9) |
| At 30 June/31 December | <u>(560)</u> | <u>(545)</u> |

In 2020, allowance for foreseeable losses was made as a result of the Group's write-down of the properties to net realisable values. The allowance for foreseeable losses was included in the 'cost of sales – residential development projects'.

11. Commitments

As at 30 June 2021, commitments for expenditure which have not been provided for in the financial statements were as follows:

| | Group | |
|---|----------------------|----------------------|
| | 30.06.2021 \$'000 | 31.12.2020 \$'000 |
| Authorised and contracted for: | | |
| - subscription for additional interest in European property funds and notes | 68,058 | 86,973 |
| - development expenditure for properties under development | 20,921 | 16,689 |
| - capital expenditure for investment properties | 175,213 | 8,644 |
| - balance sum on purchase of land for development properties | 102,982 | 97,545 |
| - balance sum on purchase of land for investment property | – | 167,700 |
| | <u>367,174</u> | <u>377,551</u> |

12. Share capital

| | 30.06.2021 | | 31.12.2020 | |
|--|------------------|---------|------------------|---------|
| | No. of Shares | \$'000 | No. of Shares | \$'000 |
| Beginning of interim period/financial year | 703,338,000 | 156,048 | 703,338,000 | 156,048 |
| End of interim period/financial year | 703,338,000 | 156,048 | 703,338,000 | 156,048 |

There were 39,321,600 treasury shares held by the Company as at 30 June 2021 (30 June 2020: 38,107,400 and 31 December 2020: 39,321,600). There were no sale, transfer, cancellation and/or use of treasury shares for the interim financial period ended 30 June 2021.

No subsidiary companies held shares in the Company as at 30 June 2021 and 31 December 2020. There was no allotment or transfer of shares in the Company to its subsidiaries for the interim financial period ended 30 June 2021.

13. Earnings per share

| | 6 months ended 30th June | |
|---|--|-------------|
| | 2021 | 2020 |
| Profit attributable to owners of the Company (\$'000) | 105,528 | 90,610 |
| Weighted average number of shares (excluding treasury shares) | 664,016,400 | 665,230,600 |
| Earnings per ordinary share for the period (cents) | | |
| i) Based on weighted average number of ordinary shares (excluding treasury shares) | 15.89 | 13.62 |
| ii) On a fully diluted basis | 15.89 | 13.62 |

Basic earnings per share and earnings per share on a fully diluted basis were computed using the net profit attributable to owners of the Company and weighted average number of ordinary shares as disclosed above for each period.

There were no dilutive potential ordinary shares for the current and previous period.

14. Net asset value

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30.06.2021 | 31.12.2020 | 30.06.2021 | 31.12.2020 |
| Net assets after adjusting for non- controlling interests (\$'000) | 3,707,894 | 3,624,129 | 1,842,659 | 1,882,833 |
| Ordinary shares at end of period (excluding Treasury shares) | 664,016,400 | 664,016,400 | 664,016,400 | 664,016,400 |
| Net asset value per ordinary share | \$5.58 | \$5.46 | \$2.78 | \$2.84 |

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

G Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Ho Bee Land Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Performance Review for the Group

(i) Consolidated income statement

1H2021 vs 1H2020

For the six months ended 30th June 2021, Group revenue increased 47% year-on-year (“y-o-y”) to S\$157.3 million (1H2020: S\$107.3 million).

During 1H2021, sale of development properties was S\$43.4 million (1H2020: nil), mainly contributed by the Group’s maiden master-planned community residential project, Parklanes 2 in Queensland, Australia.

Rental income increased 6% y-o-y to S\$113.9 million (1H2020: S\$107.3 million) due to positive rental reversions when leases were renewed for the Group’s investment properties in Singapore and London during the current period.

The net fair value loss on investment properties amounting to S\$3.7 million (1H2020: nil) was recorded in the current period. The net fair value loss relates to certain London properties.

Direct rental expenses increased 29% y-o-y to S\$9.5 million (1H2020: S\$7.3 million). In 1H2020, recovery of business rates from the UK tax authorities (HMRC) was approximately S\$750,000. In 1H2021, rental commission increased due to more new leases signed. Maintenance expenses also increased compared to 1H2020 because certain maintenance works were postponed during the Circuit Breaker period last year.

During the current period, the Group recorded a net exchange loss of S\$1.2 million (1H2020: exchange gain of S\$5.7 million), mainly due to the revaluation of its net monetary assets in AUD and Euro, as AUD and Euro weakened against the SGD during the current period.

Other operating expenses increased 13% y-o-y to S\$4.1 million from S\$3.6 million mainly because the Group made an allowance for impairment loss on a specific trade receivable.

Profit from operations declined slightly to S\$93.1 million (1H2020: S\$93.2 million).

Net finance cost decreased 16% y-o-y to S\$19.4 million (1H2020: S\$23.1 million) due to the partial repayment of GBP bank borrowings and the decline in interest rates for GBP bank borrowings at floating rates. The y-o-y increase in bank borrowings was used to fund the land premium for Biopolis Phase 6 and as such, the interest expense was capitalised in investment properties rather than expensed off.

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

(i) Consolidated income statement (cont'd)

The Group's share of profits from the Shanghai and Zhuhai associates declined 65% y-o-y to S\$10.8 million (1H2020: S\$31.3 million) as there were fewer units handed over to buyers in the current year.

The y-o-y improvement in the Group's share of the results of jointly-controlled entities to S\$50.0 million (1H2020: S\$3.0 million) was mainly attributable to higher profits from the Tangshan project in China. Approximately 700 units in Phase 2 of the Tangshan project were handed over to buyers in 1H2021.

Income tax expense increased 45% y-o-y to S\$19.9 million (1H2020: S\$13.7 million). Certain expenses like fair value loss on investment properties are not deductible for income tax purposes, whereas deferred tax has been provided for on fair value gains on financial assets and one investment property.

Profit attributable to owners of the Company increased 16% to S\$105.5 million (1H2020: S\$90.6 million). This translates to earnings per share of 15.89 cents (1H2020: 13.62 cents).

(ii) Consolidated statement of financial position

30 June 2021 vs 31 December 2020

Total equity increased by S\$92.1 million to S\$3.7 billion as of 30 June 2021. The increase was attributable to profit for the period, increase in fair value on cash flow hedges and foreign exchange translation gains for the half year ended 30 June 2021, partially offset by payment of final and special dividend of 10.0 cents per share in respect of financial year 2020 during the period.

The Group's total assets increased by S\$273.5 million to S\$6.6 billion as of 30 June 2021.

The increase in total assets was mainly attributable to an increase of S\$249.6 million in Investment Properties (net of Deposit for land premium) and S\$69.1 million in Associates and Jointly-controlled entities, offset by a S\$48.2 million decrease in Cash and cash equivalents.

The increase in Investment Properties was mainly attributable to reclassification of the deposit for land premium to investment properties following the payment of the balance of land premium and assumption of the land title for Biopolis Phase 6 project during the current period.

The increase in Associates and Jointly-controlled entities resulted from current period's share of profits from Associates and Jointly-controlled entities, as well as foreign exchange translation gains of these balances (mainly due to the appreciation of RMB against SGD during the current period).

The decrease in Cash and cash equivalents during the current period is largely attributable to payment of dividends in 2Q of every financial year.

The Group's total liabilities increased by S\$181.4 million to S\$2.9 billion as of 30 June 2021.

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

(ii) Consolidated statement of financial position (cont'd)

The increase in total liabilities was mainly attributable to a S\$203.0 million increase in Loans and borrowings. The gross proceeds of S\$207.6 million from bank borrowings were used to partially fund the land premium of Biopolis Phase 6 and the purchase of Financial Assets. S\$61.6 million of bank borrowings were repaid in the current period and the foreign exchange translation loss on GBP bank loans was S\$57.0 million (taken up in other comprehensive income).

Total shareholders' fund as at 30 June 2021 amounted to S\$3.71 billion (31 Dec 2020: S\$3.62 billion), representing a net asset value of S\$5.58 per share (31 Dec 2020: S\$5.46 per share).

3. Variance between Actual Results for the current period and prospect statement previously disclosed

Not applicable.

4. Commentary on the Group Prospects

Taking advantage of the buoyant residential market in Singapore, the Group has started to sell its apartments in Sentosa Cove with some success.

With the new waves of infections caused by the Covid-19 variants, the business environment is still very hazy and challenging. However, with the international vaccination programme gaining pace, the Group is hopeful that the global economic outlook will improve.

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/recommended for the half year ended 30 June 2021. It is the Company's policy 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 that the issuer has procured undertaking from all its directors and executives (in the format set out in Appendix 7.7(under Rule 720(1)

The Company has received undertaking 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.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Thian Poh
Chairman & CEO

Desmond Woon
Executive Director

12th August 2021