

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

Condensed Interim Financial Statements
For the Second Half and Financial Year ended
31 December 2022

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A. **Condensed interim consolidated income statement**

	Note	Group			Group		
		6 months ended			Full year ended		
		31st December			31st December		
	2022	2021	Change	2022	2021	Change	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3	257,352	190,413	35	435,622	347,693	25
Other income		6,360	38,519	(83)	39,178	40,197	(3)
Fair value (loss)/gain on investment properties	7	(114,703)	56,825	NM	(98,749)	53,106	NM
Cost of sales – residential development projects		(86,560)	(67,906)	27	(126,596)	(104,316)	21
Direct rental expenses		(10,387)	(8,901)	17	(19,842)	(18,351)	8
Loss on foreign exchange		(6,405)	(4,542)	41	(18,413)	(5,764)	>100
Staff costs & directors' remuneration		(2,743)	(10,104)	(73)	(11,990)	(21,098)	(43)
Other operating expenses		(5,579)	(5,534)	1	(11,980)	(9,625)	24
Profit from operating activities		<u>37,335</u>	<u>188,770</u>	(80)	<u>187,230</u>	<u>281,842</u>	(34)
Net finance costs		(54,799)	(20,388)	>100	(88,019)	(39,789)	>100
Share of profits, net of tax, of:							
- associates		16,049	33,394	(52)	32,711	44,217	(26)
- jointly-controlled entities		38,197	21,352	79	45,987	71,308	(36)
Profit before tax	4	<u>36,782</u>	<u>223,128</u>	(84)	<u>177,909</u>	<u>357,578</u>	(50)
Income tax (expense)/credit	5	(20,359)	2,312	NM	(10,803)	(17,569)	(39)
Profit for the period/year		<u>16,423</u>	<u>225,440</u>	(93)	<u>167,106</u>	<u>340,009</u>	(51)
Profit attributable to:							
Owners of the Company		15,981	224,984	(93)	165,880	330,512	(50)
Non-controlling interests		442	456	(3)	1,226	9,497	(87)
Profit for the period/year		<u>16,423</u>	<u>225,440</u>	(93)	<u>167,106</u>	<u>340,009</u>	(51)
Earnings per share							
Basic earnings per share (cents)	13	2.41	33.88	(93)	24.98	49.77	(50)
Diluted earnings per share (cents)	13	2.41	33.88	(93)	24.98	49.77	(50)

NM : Not Meaningful

B. Condensed interim consolidated statement of comprehensive income

	Group			Group		
	6 months ended 31st December		Change %	Full year ended 31st December		Change %
	2022 \$'000	2021 \$'000		2022 \$'000	2021 \$'000	
Profit for the period/year	16,423	225,440	(93)	167,106	340,009	(51)
Items that are or may be reclassified subsequently to profit or loss:						
Effective portion of changes in fair value of cash flow hedges	6,940	6,670	4	27,143	18,657	45
Foreign currency translation differences relating to foreign operations	(19,658)	(9,449)	>100	(62,228)	6,213	NM
Net (loss)/gain on hedges of net investment in foreign operations	(26,722)	(3,239)	>100	(38,632)	1,628	NM
Share of foreign currency translation differences of equity-accounted investees	(23,524)	2,743	NM	(40,096)	15,276	NM
Other comprehensive income for the period/year, net of tax	(62,964)	(3,275)	>100	(113,813)	41,774	NM
Total comprehensive income for the period/year	(46,541)	222,165	NM	53,293	381,783	(86)
Attributable to:						
Owners of the Company	(46,266)	221,423	NM	52,814	371,590	(86)
Non-controlling interests	(275)	742	NM	479	10,193	(95)
Total comprehensive income for the period/year	(46,541)	222,165	NM	53,293	381,783	(86)

NM : Not Meaningful

C. **Condensed interim statements of financial position**

	Note	Group		Company	
		31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
Non-current assets					
Property, plant and equipment	6	53,748	44,508	1,909	2,654
Investment properties	7	5,756,115	4,952,993	-	-
Subsidiaries		-	-	1,469,072	181,637
Associates		108,180	369,545	7,237	129,997
Jointly-controlled entities		433,124	395,501	290,248	252,688
Other assets		150	150	-	-
Financial assets	8	64,474	231,358	60,226	225,833
Other receivables		125,559	176,152	1,367,226	1,178,604
Deferred tax assets		255	142	-	-
		6,541,605	6,170,349	3,195,918	1,971,413
Current assets					
Financial assets	8	17,385	-	17,385	-
Development properties	9	570,366	322,147	-	-
Deposits for land premium	9	-	56,899	-	-
Trade and other receivables		144,917	67,507	79,613	19,060
Cash and cash equivalents		327,386	123,415	160,890	56,249
		1,060,054	569,968	257,888	75,309
Total assets		7,601,659	6,740,317	3,453,806	2,046,722
Equity attributable to equity holders of the Company					
Share capital	12	156,048	156,048	156,048	156,048
Reserves		3,759,681	3,773,269	2,137,201	1,838,309
		3,915,729	3,929,317	2,293,249	1,994,357
Non-controlling interests		14,263	20,334	-	-
Total equity		3,929,992	3,949,651	2,293,249	1,994,357
Non-current liabilities					
Loans and borrowings	10	2,193,979	1,802,721	143,033	972
Other liabilities		27,614	29,976	27,276	-
Deferred income		46,525	42,683	-	-
Deferred tax liabilities		20,168	26,099	-	-
		2,288,286	1,901,479	170,309	972
Current liabilities					
Trade and other payables		108,133	91,755	44,534	16,632
Loans and borrowings	10	1,230,725	743,038	931,487	34,500
Deferred income		1,671	1,671	-	-
Current tax payable		42,852	52,723	14,227	261
		1,383,381	889,187	990,248	51,393
Total liabilities		3,671,667	2,790,666	1,160,557	52,365
Total equity and liabilities		7,601,659	6,740,317	3,453,806	2,046,722

D. Condensed interim statements of changes in equity

	<----- Attributable to owners of the Company ----->								
	Share Capital \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Group									
At 1 January 2021	156,048	(67,796)	791	(33,500)	(14,725)	3,583,311	3,624,129	16,541	3,640,670
Profit for the year	-	-	-	-	-	330,512	330,512	9,497	340,009
Other comprehensive income	-	-	-	18,657	22,421	-	41,078	696	41,774
Total comprehensive income for the year	-	-	-	18,657	22,421	330,512	371,590	10,193	381,783
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(6,400)	(6,400)
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)	(6,400)	(72,802)
At 31 December 2021	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651

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

	<----- Attributable to owners of the Company ----->								
	Share Capital \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
Group									
At 1 January 2022	156,048	(67,796)	791	(14,843)	7,696	3,847,421	3,929,317	20,334	3,949,651
Profit for the year	-	-	-	-	-	165,880	165,880	1,226	167,106
Other comprehensive income	-	-	-	27,143	(140,209)	-	(113,066)	(747)	(113,813)
Total comprehensive income for the year	-	-	-	27,143	(140,209)	165,880	52,814	479	53,293
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(6,550)	(6,550)
Final tax-exempt dividend paid of 10 cents per share in respect of 2021	-	-	-	-	-	(66,402)	(66,402)	-	(66,402)
Total distributions to owners of the Company	-	-	-	-	-	(66,402)	(66,402)	(6,550)	(72,952)
At 31 December 2022	156,048	(67,796)	791	12,300	(132,513)	3,946,899	3,915,729	14,263	3,929,992

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

Company	Share Capital \$'000	Reserve for own shares \$'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 year	-	-	177,926	177,926
Dividend paid	-	-	(66,402)	(66,402)
At 31 December 2021	156,048	(67,796)	1,906,105	1,994,357

Company	Share Capital \$'000	Reserve for own shares \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2022	156,048	(67,796)	1,906,105	1,994,357
Total comprehensive income for the year	-	-	365,294	365,294
Dividend paid	-	-	(66,402)	(66,402)
At 31 December 2022	156,048	(67,796)	2,204,997	2,293,249

E. Condensed interim consolidated statement of cash flows

	Note	Group		Group	
		6 months ended		Full year ended	
		31st December		31st December	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit for the period/year		16,423	225,440	167,106	340,009
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		522	623	997	1,045
Gain on disposal of investment property		(2,806)	-	(2,806)	-
Loss on disposal of property, plant and equipment		2	81	2	64
Unrealised exchange differences		12,662	5,479	22,356	6,774
Interest income		(2,593)	(370)	(3,486)	(1,965)
(Writeback of impairment loss)/impairment		(9)	(192)	(685)	273
Dividend income from investment designated at FVTPL		(71)	(105)	(167)	(119)
Distribution income from financial assets designated at FVTPL		(54)	(21)	(73)	(67)
Finance costs		57,392	20,758	91,505	41,754
Fair value changes in investment properties		114,703	(56,825)	98,749	(53,106)
Fair value changes in financial assets designated at FVTPL		2,035	(37,349)	(27,286)	(37,726)
Share of profits of:					
- associates		(16,049)	(33,394)	(32,711)	(44,217)
- jointly-controlled entities		(38,197)	(21,352)	(45,987)	(71,308)
Income tax expense/(credit)	5	20,359	(2,312)	10,803	17,569
		164,319	100,461	278,317	198,980
Changes in:					
Development properties		31,718	(69,786)	(237,191)	(58,949)
Trade and other receivables		(6,727)	(56,021)	(3,522)	(50,441)
Trade and other payables		30,356	32,138	34,668	15,329
Cash generated from operations		219,666	6,792	72,272	104,919
Income taxes paid		(22,209)	(24,532)	(29,966)	(50,756)
Net cash generated from/(used in) operating activities		197,457	(17,740)	42,306	54,163

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

	Note	Group		Group	
		6 months ended		Full year ended	
		31st December		31st December	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities					
Net cash outflow on acquisition of a subsidiary (Note A)		(2,828)	-	(1,283,713)	-
Purchase of property, plant and equipment	6	(3,538)	(1,654)	(10,144)	(2,318)
Proceeds from sale of property, plant and equipment		182	-	182	157
Interest received		1,552	370	2,445	707
Dividends from investment designated at FVTPL		71	105	167	119
Dividends from associate		77,137	-	77,137	-
Investment in associate		-	(3,101)	-	(3,101)
Investment in jointly-controlled entities		(777)	(5,597)	(1,379)	(10,355)
Distributions from associates (capital reduction)		59,142	102,454	122,760	110,689
Repayment from jointly-controlled entities (non-trade)		35,744	64,866	49,589	77,709
Additions to investment properties	7	(17,377)	(8,782)	(31,318)	(184,482)
Proceeds from sale of investment property		16,406	-	16,406	-
Deposits for land premium		2,872	-	-	-
Purchase of financial assets designated at FVTPL		(5,811)	(13,131)	(6,941)	(32,550)
Redemption of financial assets designated at FVTPL		-	1,602	123,935	1,602
Distributions from financial assets designated at FVTPL		111	32	49,900	170
Net cash generated from/(used in) investing activities		162,886	137,164	(890,974)	(41,653)
Cash flows from financing activities					
Proceeds from bank loans		149,895	190,646	1,640,883	398,208
Repayment of bank loans		(231,003)	(230,049)	(418,327)	(291,664)
Payment of lease liability		(106)	(30)	(216)	(48)
Interest paid		(55,962)	(20,758)	(88,759)	(41,754)
Dividend paid		-	-	(66,402)	(66,402)
Dividend paid to non-controlling shareholder		(2,200)	(5,300)	(6,550)	(6,400)
Net cash (used in)/generated from financing activities		(139,376)	(65,491)	1,060,629	(8,060)

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

	Group		Group	
	6 months ended		Full year ended	
	31st December		31st December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Net increase in cash and cash equivalents	220,967	53,933	211,961	4,450
Cash and cash equivalents at 1 July/1 January	110,814	70,538	123,415	118,739
Effect of exchange rate fluctuations on cash held	(4,395)	(1,056)	(7,990)	226
Cash and cash equivalents at 31 December	327,386	123,415	327,386	123,415

Note A - Net cash outflow on acquisition of a subsidiary

On 7 March 2022, the Group acquired a 100% interest in 34 Leadenhall Street Limited which holds 52 Lime Street, The Scalpel, in London. The Group accounted for the acquisition as acquisition of assets.

Net cash outflow on acquisition of a subsidiary is provided below:

	Group
	Full year ended
	31st December
	2022
	\$'000
Investment properties	1,305,324
Other assets	653
Other liabilities	(21,611)
Total purchase consideration	1,284,366
Less: Cash and bank balances acquired	(653)
Net cash outflow on acquisition of a subsidiary	1,283,713

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 31 December 2022 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 31 December 2022 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 interim financial statements for the period ended 30 June 2022.

The condensed interim financial statements for the year ended 31 December 2022 have been prepared on a going concern basis notwithstanding that as at 31 December 2022, the Group’s total current liabilities exceeded its total current assets by \$323,327,000 (31 December 2021: \$319,219,000). The Group expects to refinance \$904,540,000 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 estimated positive cash flows from the Group’s operations, and the expected capital distribution from the Group’s associates in China, management assessed that the Group will be able to meet its obligations that are due within the next 12 months.

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

2.1. Changes in accounting policies

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 that are effective for annual period beginning on 1 January 2022. The application of these new and amended standards 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 2021.

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. 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 fund and notes. 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 management. 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 other entities that operate within these industries.

3.1 Reportable segments

	Property Development \$'000	Property Investment \$'000	Others \$'000	Total \$'000
6 months ended 31st December 2022				
External revenue*	126,316	131,036	-	257,352
Gross profit	40,426	119,979	-	160,405
Fair value changes in investment properties				(114,703)
Other operating income				6,360
Other operating expenses				(14,727)
Profit from operations				37,335
Finance costs				(54,799)
Share of profits of associates				16,049
Share of profits of jointly-controlled entities				38,197
Income tax expense				(20,359)
Profit for the period				16,423
Other material items:				
Additions/capital expenditure	-	17,377	-	17,377
Reportable segment assets	626,508	5,862,232	81,859	6,570,599
Investments in associates and jointly-controlled entities**	541,780	-	-	541,780
Reportable segment liabilities	175,806	3,333,397	-	3,509,203

* There is no inter-segment revenue.

** 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
6 months ended 31st December 2021				
External revenue*	80,601	109,812	-	190,413
Gross profit	12,695	100,911	-	113,606
Fair value changes in investment properties				56,825
Other operating income				38,519
Other operating expenses				(20,180)
Profit from operations				188,770
Finance costs				(20,388)
Share of profits of associates				33,394
Share of profits of jointly-controlled entities				21,352
Income tax credit				2,312
Profit for the period				225,440
Other material items:				
Additions/capital expenditure	-	8,782	-	8,782
Reportable segment assets	352,884	5,006,157	231,358	5,590,399
Investments in associates and jointly-controlled entities**	797,776	-	-	797,776
Reportable segment liabilities	41,384	2,599,883	-	2,641,267

* There is no inter-segment revenue.

** 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
Full year ended 31st December 2022				
External revenue*	175,940	259,682	-	435,622
Gross profit	50,014	239,170	-	289,184
Fair value changes in investment properties				(98,749)
Other operating income				39,178
Other operating expenses				(42,383)
Profit from operations				187,230
Finance costs				(88,019)
Share of profits of associates				32,711
Share of profits of jointly-controlled entities				45,987
Income tax expense				(10,803)
Profit for the year				167,106
Other material items:				
Additions/capital expenditure	-	1,336,642	-	1,336,642
Reportable segment assets	626,508	5,862,232	81,859	6,570,599
Investments in associates and jointly-controlled entities**	541,780	-	-	541,780
Reportable segment liabilities	175,806	3,333,397	-	3,509,203

* There is no inter-segment revenue.

** 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
Full year ended 31st December 2021				
External revenue*	123,951	223,742	-	347,693
Gross profit	19,635	205,391	-	225,026
Fair value changes in investment properties				53,106
Other operating income				40,197
Other operating expenses				(36,487)
Profit from operations				281,842
Finance costs				(39,789)
Share of profits of associates				44,217
Share of profits of jointly-controlled entities				71,308
Income tax expense				(17,569)
Profit for the year				340,009
Other material items:				
Additions/capital expenditure	-	184,482	-	184,482
Reportable segment assets	352,884	5,006,157	231,358	5,590,399
Investments in associates and jointly-controlled entities**	797,776	-	-	797,776
Reportable segment liabilities	41,384	2,599,883	-	2,641,267

* There is no inter-segment revenue.

** 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, Australia and China.

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

	Singapore	United Kingdom	Australia	China	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
6 months ended					
31st December 2022					
Sale of development properties, transferred at a point in time	23,620	-	102,696	-	126,316
Rental income and service charges	51,319	79,589	128	-	131,036
Total revenue	<u>74,939</u>	<u>79,589</u>	<u>102,824</u>	<u>-</u>	<u>257,352</u>

6 months ended					
31st December 2021					
Sale of development properties, transferred at a point in time	68,699	-	10,646	1,256	80,601
Rental income and service charges	49,670	59,880	262	-	109,812
Total revenue	<u>118,369</u>	<u>59,880</u>	<u>10,908</u>	<u>1,256</u>	<u>190,413</u>

	Singapore	United Kingdom	Australia	China	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Full year ended					
31st December 2022					
Sale of development properties, transferred at a point in time	56,268	-	115,839	3,833	175,940
Rental income and service charges	101,753	157,612	317	-	259,682
Total revenue	<u>158,021</u>	<u>157,612</u>	<u>116,156</u>	<u>3,833</u>	<u>435,622</u>

Full year ended					
31st December 2021					
Sale of development properties, transferred at a point in time	74,729	-	47,966	1,256	123,951
Rental income and service charges	99,748	122,964	1,030	-	223,742
Total revenue	<u>174,477</u>	<u>122,964</u>	<u>48,996</u>	<u>1,256</u>	<u>347,693</u>

4. Profit before taxation

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

	Group		Group	
	6 months ended		Full year ended	
	31st December		31st December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Other income				
Income from property management services	684	559	1,263	1,158
Fair value changes in financial assets designated at FVTPL	(2,035)	37,349	27,286	37,726
Gain on disposal of investment property	2,806	-	2,806	-
Right-to-lights compensation	4,064	-	4,064	-
Dilapidation income	-	-	1,799	-
Other operating expenses				
Depreciation of property, plant and equipment and right-of-use assets	(522)	(623)	(997)	(1,045)
(Writeback of impairment loss)/impairment loss on trade receivables	9	192	685	(273)
Net finance costs				
Interest income	2,593	370	3,486	1,965
Interest expense	(57,392)	(20,758)	(91,505)	(41,754)

5. Income tax expense/(credit)

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 income statement are:

	Group		Group	
	6 months ended		Full year ended	
	31st December		31st December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current period	22,555	13,715	48,300	29,031
Over provision in respect of prior years	(3,145)	(24,153)	(36,940)	(24,451)
	<u>19,410</u>	<u>(10,438)</u>	<u>11,360</u>	<u>4,580</u>
Deferred tax expense				
Movements in temporary differences	1,631	5,466	4,500	7,406
Over provision in respect of prior years	(3,242)	(421)	(8,060)	(421)
	<u>(1,611)</u>	<u>5,045</u>	<u>(3,560)</u>	<u>6,985</u>
Withholding taxes	<u>2,560</u>	<u>3,081</u>	<u>3,003</u>	<u>6,004</u>
Total income tax expense/(credit)	<u>20,359</u>	<u>(2,312)</u>	<u>10,803</u>	<u>17,569</u>

The Group has reversed tax provision of \$33,165,000 (2021: \$23,634,000) in profit or loss for the year, after receiving favorable revised tax assessments from IRAS relating to tax on disposal of properties provided in prior years.

6. Property, plant and equipment

During the year ended 31 December 2022, the Group acquired assets amounting to S\$10,144,000 (31 December 2021: \$2,318,000) and disposed of assets amounting to S\$184,000 (31 December 2021: \$221,000).

7. Investment properties

	Group	
	2022	2021
	\$'000	\$'000
Freehold properties		
At 1 January	2,511,220	2,448,639
Additions/capital expenditure	1,305,324	-
Fair value changes	(189,541)	33,874
Exchange differences	(412,286)	28,707
At 31 December	3,214,717	2,511,220
Leasehold properties		
At 1 January	2,441,773	2,181,206
Additions/capital expenditure	31,318	184,482
Disposal	(13,600)	-
Reclassification from deposit for land premium*	-	55,900
Fair value changes	90,792	19,232
Exchange differences	(8,885)	953
At 31 December	2,541,398	2,441,773
Total investment properties at 31 December	5,756,115	4,952,993
Comprising:		
- Completed investment properties	5,477,722	4,705,918
- Investment properties under development	278,393	247,075
	5,756,115	4,952,993

* 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 2021.

Investment properties comprise a number of commercial properties that are leased to third party tenants and those under development. 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 2022 were based on valuations conducted by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd, Cushman & Wakefield Debenham Tie Leung Limited, and Knight Frank LLP. The valuers have considered valuation techniques including market comparison method, the income capitalisation method and the residual value method in arriving at the open market value as at the reporting date.

7. Investment properties (cont'd)

Valuation technique and significant unobservable inputs

In determining the fair value, valuation techniques including market comparison method, the income capitalisation method and residual value method were used. These valuation techniques involve the use of certain estimates. 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 31 December 2022:

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 : \$701 - \$2,502 psf (2021: \$647 - \$2,170 psf)	The estimated fair value would increase/(decrease) if: - The transacted price of comparable properties was higher/(lower)
	Income capitalisation approach	Capitalisation rates: 3.50% - 5.00% (2021: 3.50% - 5.00%)	The estimated fair value would increase/(decrease) if: - The capitalisation rate was lower/(higher)
Commercial property under development in Singapore	Residual value method	Gross development value: \$479,000,000 (2021: \$463,900,000)	The estimated fair value would increase/(decrease) if: - The gross development value increases/(decreases)
Commercial properties in United Kingdom	Income capitalisation approach	Capitalisation rates: 4.21% - 7.66% (2021: 4.03% - 5.65%)	The estimated fair value would increase/(decrease) if: - The capitalisation rate was lower/(higher)

¹ Adjusted for any differences in age, 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 income 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.

The residual value method, which is used to value the property in its existing partially completed state of construction, involves estimating the gross development value (“GDV”) of the proposed development and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin on construction and development. The GDV is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. In estimating the GDV, the valuer has considered the sale of comparable properties with adjustments made to reflect the differences in location, tenure, size, standard of finishes and fittings as well as the dates of transactions.

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 31 December 2022 and 31 December 2021:

	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
Group						
31 December 2022						
Trade and other receivables*	250,522	-	-	12,300	-	262,822
Financial assets at FVOCI	-	-	78	-	-	78
Financial assets at FVTPL	-	81,781	-	-	-	81,781
Cash and cash equivalents	327,386	-	-	-	-	327,386
Loans and borrowings	-	-	-	-	(3,424,704)	(3,424,704)
Trade and other payables**	-	-	-	-	(128,163)	(128,163)
	<u>577,908</u>	<u>81,781</u>	<u>78</u>	<u>12,300</u>	<u>(3,552,867)</u>	<u>(2,880,800)</u>
31 December 2021						
Trade and other receivables*	214,293	-	-	-	-	214,293
Financial assets at FVOCI	-	-	78	-	-	78
Financial assets at FVTPL	-	231,280	-	-	-	231,280
Cash and cash equivalents	123,415	-	-	-	-	123,415
Loans and borrowings	-	-	-	-	(2,545,759)	(2,545,759)
Trade and other payables**	-	-	-	(14,843)	(105,319)	(120,162)
	<u>337,708</u>	<u>231,280</u>	<u>78</u>	<u>(14,843)</u>	<u>(2,651,078)</u>	<u>(2,096,855)</u>

* Excludes prepayments, tax recoverable and goods and services tax recoverable.

** Excludes goods and services tax payable and sale deposits.

8. **Financial instruments (cont'd)**

	Financial assets at amortised cost \$'000	Financial assets at FVTPL \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Company				
31 December 2022				
Trade and other receivables*	1,446,670	-	-	1,446,670
Financial assets at FVTPL	-	77,611	-	77,611
Cash and cash equivalents	160,890	-	-	160,890
Loans and borrowings	-	-	(1,074,520)	(1,074,520)
Trade and other payables**	-	-	(44,261)	(44,261)
	<u>1,607,560</u>	<u>77,611</u>	<u>(1,118,781)</u>	<u>566,390</u>
31 December 2021				
Trade and other receivables*	1,197,605	-	-	1,197,605
Financial assets at FVTPL	-	225,833	-	225,833
Cash and cash equivalents	56,249	-	-	56,249
Loans and borrowings	-	-	(35,472)	(35,472)
Trade and other payables**	-	-	(16,401)	(16,401)
	<u>1,253,854</u>	<u>225,833</u>	<u>(51,873)</u>	<u>1,427,814</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 31 December 2022 and 31 December 2021. Fair value disclosure of lease liabilities is not required.

8.1 Financial assets

	Group		Company	
	31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
Non-current				
Investments designated at FVTPL:				
- Quoted equity securities	4,089	5,221	-	-
- Private equity funds	81	226	-	-
- European property fund	33,961	42,314	33,961	42,314
Investments mandatorily at FVTPL:				
- Debt instruments - subscription of notes	26,265	183,519	26,265	183,519
Investments designated at FVOCI:				
- Unquoted equity securities	78	78	-	-
	<u>64,474</u>	<u>231,358</u>	<u>60,226</u>	<u>225,833</u>
Current				
Investments mandatorily at FVTPL:				
- Debt instruments - subscription of notes	17,385	-	17,385	-
	<u>81,859</u>	<u>231,358</u>	<u>77,611</u>	<u>225,833</u>

Refer to 'fair value hierarchy' for the methods and significant assumptions used in estimating the fair values of these investments.

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	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets carried at fair value				
Group				
31 December 2022				
Financial assets at FVTPL	4,089	-	77,692	81,781
Financial assets at FVOCI	-	-	78	78
Interest rate swaps used for hedging	-	12,300	-	12,300
	<u>4,089</u>	<u>12,300</u>	<u>77,770</u>	<u>94,159</u>
31 December 2021				
Financial assets at FVTPL	5,221	-	226,059	231,280
Financial assets at FVOCI	-	-	78	78
Interest rate swaps used for hedging	-	(14,843)	-	(14,843)
	<u>5,221</u>	<u>(14,843)</u>	<u>226,137</u>	<u>216,515</u>

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/ (liabilities) \$'000
31 December 2022		
Cash flow hedges - Interest rate swaps	<u>450,000</u>	<u>12,300</u>
31 December 2021		
Cash flow hedges - Interest rate swaps	<u>450,000</u>	<u>(14,843)</u>

8.1 Financial assets (cont'd)

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:

Group	Financial assets at FVTPL \$'000	Financial assets at FVOCI \$'000	Total \$'000
2022			
At 1 January	226,059	78	226,137
Fair value changes	29,213	-	29,213
Realised gain recognised in profit or loss	73	-	73
Exchange differences recognised in profit or loss	(9,628)	-	(9,628)
Purchases	5,810	-	5,810
Distribution	(49,900)	-	(49,900)
Redemption	(123,935)	-	(123,935)
At 31 December	<u>77,692</u>	<u>78</u>	<u>77,770</u>
Total gain for the year included in profit or loss for assets held as at 31 December	<u>19,658</u>	<u>-</u>	<u>19,658</u>
2021			
At 1 January	174,431	77	174,508
Fair value changes	37,520	-	37,520
Realised gain recognised in profit or loss	67	-	67
Exchange differences recognised in profit or loss	(11,575)	1	(11,574)
Purchases	27,388	-	27,388
Distribution	(170)	-	(170)
Redemption	(1,602)	-	(1,602)
At 31 December	<u>226,059</u>	<u>78</u>	<u>226,137</u>
Total gain for the year included in profit or loss for assets held as at 31 December	<u>26,012</u>	<u>1</u>	<u>26,013</u>

The gain for the year included in profit or loss comprises:

	Full year ended 31st December	
	2022 \$'000	2021 \$'000
Other income		
Fair value changes	29,213	37,520
Realised gains from financial assets designated at FVTPL	73	67
	<u>29,286</u>	<u>37,587</u>
Exchange differences		
Exchange differences recognised	<u>(9,628)</u>	<u>(11,574)</u>
Total gain for the year included in profit or loss	<u>19,658</u>	<u>26,013</u>

8.1 Financial assets (cont'd)

Level 3 fair values (cont'd)

The fair values of the Group's unquoted investments in private equity funds and unquoted equity securities are determined based on quotations from the respective fund managers.

The fair values of European property fund and debt instruments (notes) are determined based on the latest available net asset value ("NAV") of the funds and notes obtained from the investment property/fund manager. The underlying assets of the European property fund and debt instruments consist of real estate properties which are measured at fair value by independent valuers. The estimated fair value of the investments would increase/(decrease) if the NAV was higher/(lower).

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. Development properties

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
<i>Properties for which revenue is to be recognised at a point in time</i>		
Properties held for sale	77,378	126,141
Properties under development	493,482	196,557
	<u>570,860</u>	<u>322,698</u>
Allowance for foreseeable losses	(494)	(551)
Total development properties	<u><u>570,366</u></u>	<u><u>322,147</u></u>

For the year ended 31 December 2022, development properties of \$120,947,000 (2021: \$98,070,000) were recognised as cost of sales and included in 'cost of sales – residential development projects'.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2022	2021
	\$'000	\$'000
At 1 January	(551)	(545)
Exchange differences	57	(6)
At 31 December	<u><u>(494)</u></u>	<u><u>(551)</u></u>

The Group has reviewed the allowance for foreseeable losses to record the properties at net realisable values and assessed that no further allowance was required to be made.

Deposits for land premium

Deposits for land premium in 2021 pertained to the deposits paid to third parties for the acquisition of several residential development sites in Australia. Following the completion of the acquisition, the Group reclassified the deposits for land premium to development properties in 2022.

10. Loans and borrowings

	Group		Company	
	31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
Non-current liabilities				
Secured bank loans	2,193,486	1,802,497	143,033	-
Lease liabilities	493	224	-	972
	<u>2,193,979</u>	<u>1,802,721</u>	<u>143,033</u>	<u>972</u>
Current liabilities				
Secured bank loans	1,230,498	742,839	930,515	33,360
Lease liabilities	227	199	972	1,140
	<u>1,230,725</u>	<u>743,038</u>	<u>931,487</u>	<u>34,500</u>
	<u>3,424,704</u>	<u>2,545,759</u>	<u>1,074,520</u>	<u>35,472</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.

11. Commitments

As at 31 December 2022, commitments for expenditure which have not been provided for in the financial statements were as follows:

	Group	
	31.12.2022 \$'000	31.12.2021 \$'000
Authorised and contracted for:		
Subscription for additional interest in European property fund and notes	24,859	55,604
Development expenditure for properties under development	26,919	30,257
Capital expenditure for investment properties	142,488	166,896
Balance sum on purchase of land for development properties	-	235,620
	<u>194,266</u>	<u>488,377</u>

12. Share capital

	31.12.2022		31.12.2021	
	No. of Shares	\$'000	No. of Shares	\$'000
Beginning of financial year	703,338,000	156,048	703,338,000	156,048
End of 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 31 December 2022 (31 December 2021: 39,321,600). There was no sale, transfer, cancellation and/or use of treasury shares for the year ended 31 December 2022.

No subsidiary companies held shares in the Company as at 31 December 2022 and 31 December 2021. There was no allotment or transfer of shares in the Company to its subsidiaries for the year ended 31 December 2022.

13. Earnings per share

	6 months ended		Full year ended	
	31st December	31st December	31st December	31st December
	2022	2021	2022	2021
Profit attributable to owners of the Company (\$'000)	15,981	224,984	165,880	330,512
Weighted average number of ordinary shares (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Earnings per ordinary share for the period (cents)				
i) Based on weighted average number of ordinary shares (excluding treasury shares)	2.41	33.88	24.98	49.77
ii) On a fully diluted basis	2.41	33.88	24.98	49.77

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/year.

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

14. Net asset value

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net assets after adjusting for non-controlling interests (\$'000)	3,915,729	3,929,317	2,293,249	1,994,357
Ordinary shares at end of year (excluding treasury shares)	664,016,400	664,016,400	664,016,400	664,016,400
Net asset value per ordinary share	\$5.90	\$5.92	\$3.45	\$3.00

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 31 December 2022 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 year then ended and certain explanatory notes have not been audited or reviewed.

2. Performance Review for the Group

(i) Consolidated income statement

2H2022 vs 2H2021

For the six months ended 31 December 2022, Group revenue increased 35% year-on-year (“y-o-y”) to S\$257.4 million (2H2021: S\$190.4 million).

Sale of development properties was higher by 57% y-o-y at S\$126.3 million (2H2021: S\$80.6 million) as more land lots were handled over to buyers in Australia. This was partially offset by lower sales in Turquoise in Sentosa Cove.

Rental income increased 19% y-o-y to S\$131.0 million (2H2021: S\$109.8 million) largely due to rental contributed by The Scalpel in London, as it was acquired in March 2022.

Other income decreased 83% y-o-y to S\$6.4 million (2H2021: S\$38.5 million) and included S\$4.1 million right-to-lights compensation for a London property and S\$2.8 million disposal gain on Eastwood Centre, an investment property in Singapore. Other income in 2H2021 included fair value gain of S\$37.5 million recognised on the Group’s Munich Notes investment.

Net fair value loss on investment properties was S\$114.7 million compared to a net fair value gain of S\$56.8 million in 2H2021. The Group recorded S\$161.5 million fair value loss on its London portfolio, which was partially mitigated by a net fair value gain of S\$46.8 million on its Singapore portfolio.

Cost of sales for residential development projects increased 27% y-o-y to S\$86.6 million (2H2021: S\$67.9 million) due to higher sales this year. Direct rental expenses increased 24% y-o-y to S\$11.1 million (2H2021: S\$8.9 million) mainly due to higher operating expenses in Singapore.

A net exchange loss of S\$6.4 million (2H2021: S\$4.5 million) was recorded in 2H2022, mainly due to the SGD strengthening against GBP, RMB and Euro.

Overall, profit from operations decreased 80% y-o-y to S\$37.3 million (2H2021: S\$188.8 million). Excluding fair value changes in investment properties, profit from operations would have increased 15% y-o-y to S\$152.0 million in 2H2022 (2H2021: S\$131.9 million).

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

(i) Consolidated income statement (cont'd)

2H2022 vs 2H2021 (cont'd)

Net finance costs increased significantly to S\$54.8 million (2H2021: S\$20.4 million) mainly due to additional bank borrowings to fund the acquisition of The Scalpel and the development projects in Australia, coupled with rising interest rates.

Share of profits from the China associates decreased 52% y-o-y to S\$16.0 million (2H2021: S\$33.4 million) mainly due to fewer units handed over in the Zhuhai project. The decrease was partially mitigated by higher share of profits from the Nanjing project, which started handing over units to buyers in FY2022.

Share of profits from jointly-controlled entities increased 79% y-o-y to S\$38.2 million (2H2021: S\$21.4 million) mainly contributed by sales revenue and the increase in the net realisable value ("NRV") of Cape Royale. The Group's share of the NRV increase was S\$23.5 million (2H2021: S\$17.2 million).

Income tax expense of S\$20.4 million was recorded in 2H2022. The net tax credit of S\$2.3 million last year was due to write-back of S\$24.6 million over provision, out of which, S\$23.6 million arose from a favorable judgement received in respect of disposal gains on certain investment properties. Excluding the effect of overprovision of tax in respect of prior years, the current year tax expense would have increased 20% y-o-y to S\$26.7 million (2H2021: S\$22.3 million).

Consequently, profit attributable to owners of the Company decreased 93% y-o-y to S\$16.0 million (2H2021: S\$225.0 million). This translates to earnings per share of 2.41 cents (2H2021: 33.88 cents).

FY2022 vs FY2021

For the full year ended 31 December 2022, Group revenue increased 25% y-o-y to S\$435.6 million (FY2021: S\$347.7 million).

Sale of development properties was higher by 42% y-o-y at S\$175.9 million (FY2021: S\$124.0 million) as more land lots were handled over to buyers in Australia. This was partially offset by lower sales in Turquoise in Sentosa Cove.

Rental income increased 16% y-o-y to S\$259.7 million (FY2021: S\$223.7 million) largely due to rental contributed by The Scalpel, as it was acquired in March 2022.

Net fair value loss on investment properties was S\$98.7 million compared to a net fair value gain of S\$53.1 million in FY2021. The Group recorded S\$201.9 million fair value loss on its London portfolio, which was partially mitigated by a net fair value gain of S\$103.2 million on its Singapore portfolio.

Cost of sales for residential development projects increased 21% y-o-y to S\$126.6 million (FY2021: S\$104.3 million) due to higher sales this year. Direct rental expenses increased 12% y-o-y to S\$20.5 million (FY2021: S\$18.4 million) mainly due to higher operating expenses in Singapore.

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

(i) Consolidated income statement (cont'd)

FY2022 vs FY2021 (cont'd)

A net exchange loss of S\$18.4 million (FY2021: S\$5.8 million) was recorded in FY2022, mainly due to the SGD strengthening against AUD, Euro and GBP.

Other operating expenses increased 24% y-o-y to S\$12.0 million (FY2021: S\$9.6 million) mainly due to higher professional fees and tax advisory fees incurred in relation to the acquisition of The Scalpel in London.

Overall, profit from operations decreased 34% y-o-y to S\$187.2 million (FY2021: S\$281.8 million). Excluding fair value changes in investment properties, profit from operations would have increased 25% y-o-y to S\$286.0 million in FY2022 (FY2021: S\$228.7 million).

Net finance costs increased significantly to S\$88.0 million (FY2021: S\$39.8 million) mainly due to additional bank borrowings to fund the acquisition of The Scalpel and the development projects in Australia, coupled with rising interest rates.

Share of profits from the China associates decreased 26% y-o-y to S\$32.7 million (FY2021: S\$44.2 million), mainly due to fewer units handed over in the Zhuhai project. The decrease was partially mitigated by higher share of profits from the Nanjing project, which started handing over units to buyers in FY2022.

Share of profits from jointly-controlled entities decreased 36% y-o-y to S\$46.0 million (FY2021: S\$71.3 million) mainly due to fewer units handed over in the Tangshan project. The decrease was partially offset by higher share of profits from Cape Royale, contributed by sales revenue and the increase in NRV. The Group's share of the NRV increase was S\$23.5 million (FY2021: S\$17.2 million).

Income tax expense decreased 39% y-o-y to S\$10.8 million (FY2021: S\$17.6 million).

Consequently, profit attributable to owners of the Company decreased 50% to S\$165.9 million (FY2021: S\$330.5 million). This translates to earnings per share of 24.98 cents (FY2021: 49.77 cents).

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

(ii) Consolidated statement of financial position

31 December 2022 vs 31 December 2021

Total equity decreased by S\$19.7 million to S\$3.93 billion as of 31 December 2022. The profit and fair value gain on cash flow hedges for the year, totalling S\$194.2 million, was more than offset by exchange translation loss of S\$141.0 million for the year and payment of final dividend of S\$66.4 million in respect of financial year 2021.

Total assets increased by S\$861.3 million to S\$7.6 billion as of 31 December 2022, mainly attributable to the increase in investment properties, development properties and cash, partially offset by the decrease in interests in associates and financial assets.

Investment properties increased by S\$803.1 million, largely attributable to The Scalpel, as it was acquired in March 2022 at £718.0 million, and capitalisation of S\$31.3 million development costs incurred for the construction of Elementum. The above increase was partially offset by S\$98.7 million net fair value loss on investment properties, and exchange differences of S\$421.2 million due to weakening of the GBP.

Development properties increased by S\$248.2 million, mainly due to new land sites acquired and development expenditures incurred for master-planned community projects in Australia, partially offset by the amounts transferred to cost of sales for the land lots sold in Australia and units sold in Turquoise in Sentosa Cove.

Interest in associates decreased by S\$261.4 million, mainly attributable to capital reduction and dividends from the Shanghai and Zhuhai projects, partially offset by the Group's share of profits from the China associates.

Financial assets decreased by S\$149.5 million, mainly due to redemption and distributions received from the Munich Notes Investment and the European Property Fund.

Total liabilities increased by S\$881.0 million to S\$3.67 billion as of 31 December 2022, mainly attributable to a net increase in loans and borrowings.

In FY2022, the Group took on new borrowings to fund the acquisition of The Scalpel and development projects in Australia. Net of loan repayments and the effect of exchange translation difference on GBP bank loans, total bank borrowings increased by S\$878.9 million. Included in the loans are S\$930.8 million bridging loans that will be refinanced to term loans or repaid in the next 12 months and therefore classified as current liabilities.

Total shareholders' fund as at 31 December 2022 amounted to S\$3.92 billion (31 December 2021: S\$3.93 billion), representing a net asset value of S\$5.90 per share (31 December 2021: S\$5.92 per share).

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

Not applicable.

4. Commentary on the Group Prospects

The effects of interest rate hikes, as well as the war in Ukraine and the geopolitical tensions among the major superpowers, continue to cast a shadow on the three key markets of Singapore, United Kingdom and Australia that we operate in.

The continuing high interest rate environment will adversely affect the Group's financial performance for the year. Nevertheless, the Group is in a good position to weather the headwinds, with a good pipeline of development properties in Australia and a resilient investment income base in Singapore and London.

5. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	8 cents per ordinary share
Tax Rate	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	10 cents per ordinary share
Tax Rate	Tax exempt

(c) Date payable

Subject to shareholders' approval at the Annual General Meeting of the Company to be held on 26 April 2023, the proposed first and final dividend will be paid on 25 May 2023.

(d) Record Date

Notice is hereby given that subject to shareholders of the Company approving the proposed payments of a first and final one-tier tax exempt dividend of 8 cents per share for the financial year ended 31 December 2022 (“**Dividends**”) at the Annual General Meeting to be held on 26 April 2023, the Register of Members and the Share Transfer Books of the Company will be closed at 5.00 p.m. on 15 May 2023 for the purpose of determining shareholders' entitlements to the Dividends. Duly completed registrable transfers received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 15 May 2023 will be registered before entitlements to the Dividends are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 15 May 2023 will be entitled to the Dividend.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

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.

9. **Breakdown of sales**

	Group		
	FY2022 S\$'000	FY2021 S\$'000	Change %
Revenue reported for first half year	178,270	157,280	13.3
Profit after tax for first half year	150,683	114,569	31.5
Revenue reported for second half year	257,352	190,413	35.2
Profit after tax for second half year	16,423	225,440	(92.7)

10. **Breakdown of total annual dividend (net of tax)**

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary shares	53,121	66,402
Total	53,121	66,402

11. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Chua Thian Poh	74	Father of Mr Chua Wee-Chern (Executive Director and Chief Executive Officer)	Executive Chairman Providing leadership and setting the Group's strategies and policies. Since 1 January 2022	Redesignated from Chairman and Chief Executive Officer to Executive Chairman on 1 January 2022.
Mr Chua Wee-Chern	47	Son of Mr Chua Thian Poh (Executive Chairman, Executive Director and substantial shareholder)	Executive Director and Chief Executive Officer Implementation of the Group's strategies and policies and the day to day management of the Group's business and operations. Since 1 January 2022	Appointed as Executive Director and Chief Executive Officer on 1 January 2022. Previously, Mr Chua Wee-Chern was the Deputy Chief Executive Officer.

By Order of the Board

Nicholas Chua
Executive Director
Chief Executive Officer

27 February 2023