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Ho Bee Land Green Finance Framework

Ho Bee Land Limited (the “**Group**”, Singapore Stock Code: H13), founded in 1987, is a real estate development and investment company listed in Singapore since 1999. Headquartered in Singapore, Ho Bee has property investments and developments in Singapore, Australia, China and the United Kingdom, covering residential, commercial, biomedical business parks and high-tech industrial projects. The company has a portfolio that covers many quality residential and commercial projects since its establishment in 1987.

The Singapore Sustainable Blueprint, Singapore’s ratification of the Paris Agreement, the Singapore Budget 2018, and the 3rd Green Building Masterplan call for more environmentally responsible behaviour by corporations, especially those in the real estate sector. Recognising its role as a player in the field, Ho Bee Land has identified contributing to a sustainable environment as one of the five key areas of sustainability focus under its business strategy.

In 2017, Ho Bee Land formalised an Environmental Policy to advocate sustainable environmental practices within the organisation. Compared to a 2016 baseline, the group has been successful in reducing the average monthly consumption of electricity in 2017 by 1.7%, and the usage of water by 7%. To minimise waste, the Group rolled out a recycling programme for the collection of paper, glass, plastics, metals and lamps. We believe these initiatives promote environmental responsibility and conserve our depleting natural resources. In Singapore, Ho Bee Land is committed to the development of sustainable or green buildings and aims to achieve the BCA Green Mark Certification for all new developments.

In line with our commitment to sustainability, Ho Bee Land has also implemented a robust sustainability governance framework, spearheaded by the Sustainability Committee at the Board level, and driven by the Sustainability Team on the ground. The Sustainability Team is tasked with overseeing comprehensive sustainability initiatives across the organisation, which encompasses the establishment and enforcement of sustainability policies and protocols, as well as the management processes and the adherence to sustainability development benchmarks. This framework ensures that sustainability considerations are integrated into our decision-making processes at all levels of the organisation.


Framework Overview

This bespoke Green Finance Framework (the “**Framework**”) has been developed to demonstrate how Ho Bee Land and its group entities intend to enter into Green Financing Transactions (“**GFT**”) to fund projects that will deliver environmental benefits to support Ho Bee Land’s business strategy and vision. Fundraising will include bonds and loans with structures tailored to contribute to sustainable development by application of the proceeds to Eligible Projects as defined in this Framework. With respect to bonds, bonds issued under the Framework will be aligned with the Green Bond Principles, 2021¹ or as they may be subsequently amended. With respect to loans, loans drawn under the Framework will be aligned with the Green Loan Principles, 2023² or as they may be subsequently amended.

Each GFT will adopt (1) Use of Proceeds, (2) Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting, as set out in this Framework.






1. Use of Proceeds


The net proceeds of each GFT will be used to fund or refinance, in whole or in part, new or existing eligible green projects that meet one or more of the following categories of eligibility as recognised in the Green Bond Principles and Green Loan Principles (“**Eligible Green Projects**”).

Project Category	Eligible Green Assets and Projects for Ho Bee Land	Sample Projects
<p>Green Buildings</p> 	<p>New development and/or re-development of existing buildings that have or will receive any one of the following certification systems:</p> <ul style="list-style-type: none"> • U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or • Singapore BCA Green Mark – minimum certification of Gold^{Plus}; or • BREEAM – minimum certification of Excellent or above; or 	<ul style="list-style-type: none"> • The Metropolis (Green Mark Platinum) • Ropemaker Place (pre-certified LEED Platinum and BREEAM Excellent)

¹ [Green-Bond-Principles-June-2022-060623.pdf \(icmagroup.org\)](https://www.icmagroup.org/green-bond-principles-2021/)

² <https://www.lsta.org/content/green-loan-principles/>

	<ul style="list-style-type: none"> • National Australian Built Environment Rating System (NABERS) – minimum 5 Star or above; or • Green Building Council of Australia (GBCA) Green Star – minimum 5 Star or above 	
<p>Renewable Energy</p> 	<ul style="list-style-type: none"> • Generation of energy from solar energy 	<ul style="list-style-type: none"> • Electricity generation from solar photovoltaic panel
<p>Energy Efficiency</p>  	<ul style="list-style-type: none"> • Projects relating to the adoption of smart technologies and/or systems for optimising energy management in new and existing buildings, such as lighting and motion sensors or replacing air-cooled air conditioning with water cooling. Such projects will result in achieving, based on third-party assessment, at least a 15% improvement in energy efficiency against the project's overall consumption. 	<ul style="list-style-type: none"> • Using T5 fluorescent lighting, LED bulbs, and highly efficient air condition equipment • Installation of motion sensors, carbon dioxide sensors and timers to control the lighting and air conditioning system
<p>Pollution Prevention and Control</p>  	<ul style="list-style-type: none"> • Eligible projects should encompass facilities, systems, and equipment dedicated to the collection, treatment, and recycling of waste (e.g. organic waste and plastic). Landfill operations are expressly excluded. • Eligible projects must demonstrate a clear reduction in greenhouse gas emissions associated with waste management activities. 	<ul style="list-style-type: none"> • Management of waste and waste recycling for tenants and occupants (e.g. Food waste at some of our London properties are sent for anaerobic digestion to generate energy and high-quality compost.)
<p>Sustainable Water and</p>	<p>Projects include water saving features, systems or equipment to reduce domestic and</p>	<ul style="list-style-type: none"> • Water recycling systems such as

<p>Wastewater Management</p> 	<p>commercial water consumption.</p> <p>E.g. obtaining certified water fittings under the Public Utilities Board’s “Excellent” and “Very Good” Water Efficiency Labelling Scheme (“WELS”) rating in Singapore.</p>	<p>installing rainwater harvesting tanks and using wastewater from cooling towers to flush WCs.</p>
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Exclusion criteria for the Use of Proceeds include, but are not limited to:

1. Fossil Fuels: Excluding projects related to the exploration, extraction, production, or use of fossil fuels, including coal, oil, and natural gas.
2. Hazardous Materials: Avoiding funding for projects that involve hazardous materials or processes that could pose environmental risks.
3. Controversial Industries: Excluding sectors that are considered environmentally controversial or socially harmful, such as arms manufacturing, tobacco, or gambling.
4. Human Rights Violations: Avoiding projects or companies associated with human rights abuses, especially those with adverse impacts on indigenous communities or vulnerable populations.
5. Contamination and Pollution: Excluding projects that may cause environmental contamination or pollution of air, water, or soil.

These criteria ensure that green finance funds are channelled into projects that promote environmental sustainability and social responsibility. The criteria would be updated over time to align with evolving best practices and industry standards.

2. Process for Project Evaluation and Selection

The identification and selection of the Eligible Green Projects are conducted through a meticulous process that prioritises environmental and social risk mitigation. This process engages representatives from Ho Bee Land’s project team, sustainability department and treasury department. They form a working group responsible for evaluating projects based on the established criteria, ensuring that only projects aligned with our sustainability objectives are shortlisted.

The Board Sustainability Committee consisting of minimum three Board members, and Sustainability Team of Ho Bee Land, comprising key stakeholders with expertise in sustainability, meet on a quarterly basis to deliberate and provide final approval for these shortlisted projects. If

such a project is considered an Eligible Project in accordance with this Framework, it will be earmarked for the use of proceeds of a GFT under this Framework.

The Board Sustainability Committee is also responsible for continuous monitoring of the financed projects. All financed projects are reviewed bi-annually by the Board Sustainability Committee to ensure continued compliance. In case of project ineligibility, postponement or divestment of the eligible project(s), Ho Bee Land commits to replace them with other eligible project(s) as soon as reasonably practicable. Evaluation, selection and allocation of the alternative Green Project(s) will be deliberated and analysed in the Board Sustainability Committee meeting.

3. Management of Proceeds

The net proceeds from each GFT will be managed, tracked and matched annually by Ho Bee Land's treasury team, ensuring that a green project is not double counted towards multiple transactions. Ho Bee Land will keep an internal register of information, including:

- a) **GFT:** key information including issuer entity, transaction date, principal amount of proceeds, maturity date, interest or coupon, the ISIN number etc.;
- b) **Allocation of Use of Proceeds:**
Information including:
 - Summary detail of Eligible Projects to which the proceeds of the GFT have been allocated in accordance with this Framework;
 - Amount of GFT proceeds allocated to each project;
 - Confirmation of Sustainability Steering Committee endorsement that the project is considered to be an Eligible Project;
 - Aggregate amount of proceeds of GFT allocated earmarked to Eligible Projects;
 - The remaining balance of unallocated proceeds yet to be earmarked, which will be held in reserves and not used for any GHG-intensive or controversial projects in the meantime;
 - Estimated environmental benefit;
 - Other necessary information.

Ho Bee Land commits to full allocation of the net proceeds of GFT(s) within 36 months following the date of issuance on a best-efforts basis. For refinancing of existing projects, the maximum look-back period will be up to two years. Pending allocation, the net proceeds from the GFT(s) will be kept in Ho Bee Land's general account and invested according to the treasury department's general liquidity guidelines for short-term investments.

4. Reporting

Annually and on a timely basis, in case of material developments, Ho Bee Land will disclose the allocation of the borrowed funds or the net proceeds of its GFT(s) in its Sustainability Report as part of its annual report available on Ho Bee Land's corporate website (www.hobee.com) until full allocation of the GFT(s). This transparent approach ensures that stakeholders are kept well-informed about the positive impact generated by the allocated net proceeds. The information will contain at least the following details:

a) Summary:

A list of all GFT(s) executed in the reporting period and outstanding at the reporting date, as well as summary terms of each transaction. Key information to be provided will include the issuer entity, transaction date, principal amount of proceeds, maturity date, interest or coupon, the ISIN number, etc.

b) Allocation Reporting – for each GFT:

- A list of Eligible Projects earmarked to be funded by the proceeds of the GFT;
- Amount of proceeds allocated to the various Eligible Projects;
- Description of major Eligible Projects;
- Aggregate amount of proceeds of GFT allocated earmarked to Eligible Projects;
- Lookback period of refinanced projects;
- The remaining balance of unallocated proceeds yet to be earmarked.

c) Impact Reporting – for each GFT:

Where possible, the Group will report on the environmental and social impacts (where relevant) resulting from Eligible Projects. Subject to the nature of Eligible Projects and the availability of information, the Group will consider the following impact indicators:

Eligible Green Asset Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none">• Green building certification obtained• Amount of energy saved (MW)• CO₂ (or other GHG) avoided (in tonnes)
Renewable Energy	<ul style="list-style-type: none">• Renewable energy generated (MW)• CO₂ and other GHG avoided (in tonnes)
Energy Efficiency	<ul style="list-style-type: none">• Energy saved (MW)• CO₂ and other GHG avoided (in tonnes)
Pollution Prevention and Control	<ul style="list-style-type: none">• Amount of waste reduced and/or diverted from landfills (in tonnes)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none">• Reduction in water consumption (m³)

The contents of the disclosure will be reviewed and approved by the Board Sustainability Committee. The Group will engage an independent third party to independently review the contents of the disclosure.

External Review

Ho Bee Land has obtained an external review of this Framework, which can be viewed in the relevant section on Ho Bee Land's corporate website (www.hobee.com).