

**Ho Bee Land Limited**

(Co. Reg. No.: 198702381M)

**ANNOUNCEMENT**

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- (1) INVESTMENT IN EUROPEAN PROPERTY FUND**
  - (2) SUBSCRIPTION OF NOTES ISSUED BY CLOUSE S.A.**
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**1. INTRODUCTION**

Ho Bee Land Limited (“**HBL**”) wishes to announce that it has entered into an agreement with Credit Suisse AG, Singapore Branch (“**CSAG**”) pursuant to which the Company has agreed to invest up to EUR 40 million in the CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Property Fund II (the “**Fund**”). Pursuant to its investment in the Fund, HBL has also committed to co-invest up to an additional EUR 50 million by acquiring Notes issued by Clouse S.A., Compartment 29 (the “**Notes**”) (the Fund and the Notes are collectively referred hereinafter as the “**Investments**”).

**2. INFORMATION ON THE INVESTMENTS****2.1 Information on the Fund**

The Fund is an investment company with variable capital governed by the Luxembourg law relating to specialised investment funds incorporated under the form of a public limited liability under the laws of the Grand Duchy of Luxembourg which invests its capital in real estate and/or real estate investment structures in key cities in Europe.

**2.2 Information on the Notes**

Clouse S.A., Compartment 29 is a public limited liability company under the laws of the Grand Duchy of Luxembourg as a securitisation company governed by the Luxembourg law on securitisation and registered with the Register of Trade and Companies of Luxembourg. The Notes are being issued through private placement and the proceeds will be invested in a commercial property known as Correo – Bayerstrasse 49, 51, 53, Paul-Heyse-Strasse 7, Schwanthalerstrasse 46, 48, 50 Munich, Germany.

**3. RATIONALE FOR THE INVESTMENTS**

The Investments are in line with HBL Group’s strategy of geographical diversification and its investment strategy to optimise returns on its available funds.

#### **4. CONSIDERATION**

HBL's total commitment for the Fund is EUR 40 million (approximately S\$64.8 million) based on an initial subscription price of EUR 1,000 for each tranche of participating shares. HBL's total commitment for the Notes is EUR 50 million (approximately S\$81 million) which is arrived at on an arm's length basis. The total consideration of EUR 90 million (approximately S\$145.8 million) (the "**Consideration**") for the Investments is satisfied wholly in cash as and when required by the Fund and the Notes.

#### **5. VALUE OF THE INVESTMENTS**

The Investments constitute new capital in both the Fund and the Notes and do not entitle HBL to economically participate in any historical returns prior to the date of the Investments.

#### **6. RELATIVE FIGURES PURSUANT TO RULE 1006**

Based on the latest announced consolidated accounts of HBL Group as at 31 December 2017, the relative figures computed in accordance with Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits.	Not applicable <sup>(2)</sup>
(c)	Aggregate value of the Consideration compared with the market capitalisation of HBL based on the total number of issued shares excluding treasury shares.	8.6% <sup>(3)</sup>
(d)	Number of equity securities issued by HBL as consideration for the Investments, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>

Notes:

- (1) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.
- (2) Rule 1006(b) of the Listing Manual is not applicable as HBL does not participate in any historical returns on the Investments prior to the date of the Investments.
- (3) Rule 1006(c) of the Listing Manual was computed based on the Consideration of approximately S\$145.8 million (being EUR 90 million converted at an exchange rate of EUR 1.00 : S\$1.62) divided by the market capitalisation of the Company as at 2 March 2018, being the market day preceding the date of signing of agreement with CSAG.
- (4) Rule 1006(d) of the Listing Manual is not applicable as no equity securities are being issued by HBL as consideration for the Investments.

As the relative figure under Rule 1006(c) exceeds 5% but is less than 20%, the Investments constitute a "discloseable transaction" as defined under Chapter 10 of the Listing Manual.

## **7. FINANCIAL EFFECTS**

The financial effects of the Investments on the Company are as follows:-

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

For illustrative purpose only, assuming that the Investments had taken place on 31 December 2017, being the end of the most recently completed financial year, the impact on the NTA of the Group is as follows:

	<b>Before adjusting for the Investments</b>	<b>After adjusting for the Investments</b>
NTA per share (S\$)	4.70	4.70

(b) Earnings per share (“**EPS**”)

The impact on the EPS of HBL cannot be ascertained as of the date of this announcement as this will depend on the future performance of the Investments.

The Investments will be financed by the Company using its internal funds and bank borrowings. The Investments are not expected to have any material impact on the consolidated earnings per share and net tangible assets per share of the HBL Group for the financial year ending 31 December 2018.

## **8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

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

## **9. DIRECTORS’ SERVICE CONTRACT**

There is no service contract for any director to be entered into for the Investments.

By Order of the Board  
Desmond Woon Choon Leng  
Executive Director

26 March 2018