

HO BEE INVESTMENT LTD
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 198702381M)

UPDATE ON SALE OF INDUSTRIAL PROPERTY AT NO. 15 JALAN KILANG BARAT, SINGAPORE

The Company refers to the announcement dated 17 November 2008 relating to the sale of the industrial property, Frontech Centre situate at No. 15 Jalan Kilang Barat, Singapore (the "**Property**") to AG Frontech Private Limited (the "**Purchaser**"), which was not completed by the Purchaser on the completion date as fixed in the sale and purchase agreement.

The Company had on 17 November 2008 served on the Purchaser the 21 days' notice to complete the purchase of the Property in accordance with Condition 29 of The Law Society's Conditions of Sale 1999. The 21 days' notice lapsed on 9 December 2008 and completion of the purchase of the Property has not taken place.

As the Purchaser has failed to complete the purchase of the Property, the sale and purchase agreement has been terminated and the Company has forfeited the entire deposit amounting to S\$3 million, paid by the Purchaser.

The termination of the sale of the Property will have no material impact on the net tangible assets or earnings per share of HBI for the financial year ending 31 December 2008.

By Order of the Board
Low Lai Sai
Company Secretary

10 December 2008