



HO BEE INVESTMENT LTD (Co. Regn. No. 198702381M)

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## DISPOSAL OF SHARES IN CHONGBANG HOLDINGS (INTERNATIONAL) LIMITED

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### 1. INTRODUCTION

Ho Bee Investment Ltd (the “**Company**”) wishes to announce that its 70%-owned subsidiary, HBS Investments Pte Ltd (“**HBS**”) has entered into a Share Repurchase Agreement with Chongbang Holdings (International) Limited (“**CHIL**”) for the sale of its entire 9.024% stake in CHIL back to CHIL (the “**Disposal**”).

### 2. INFORMATION ON CHIL AND HBS SHAREHOLDINGS IN CHIL

CHIL, an exempted company incorporated in Cayman Islands, is the holding company for its property development and investment business in the People’s Republic of China (“**PRC**”).

HBS had initially held 20% shares in Chongbang Development Limited (“**CDL**”), a company incorporated in Hong Kong in 2003. Following a corporate restructuring exercise in 2006, CHIL became the ultimate holding company of CDL and HBS’s shareholding in CDL was exchanged for a 9.024% stake or 9,024 shares in CHIL.

### 3. CONSIDERATION

The consideration for the sale of shares to CHIL is US\$38,838,665 (approximately S\$48.08 million) in cash and is based on the aggregate initial net asset value of CHIL’s selected group of companies as at 30 September 2012 (“**Initial Net Asset Value**”). This will be subject to adjustment once the final net asset value as at 31 December 2012 is determined and finalised by CHIL’s auditors on or before 30 April 2013.

The book value of the 9,024 shares held in CHIL is US\$1.09 million (approximately S\$1.34 million). Total proceeds from the divestment will be US\$63,933,198 (approximately S\$79.2 million) including a repayment of shareholders loan of US\$25,094,533 (approximately S\$31.1 million). The expected gain from the disposal of the shares based on the Initial Net Asset Value is US\$37.7 million (approximately S\$46.7 million). The Group’s share of the gain will be US\$26.4 million (approximately S\$32.7 million).

**4. RATIONALE FOR THE DISPOSAL**

Following a review of the Group's strategy in PRC, the Board has decided to divest our minority interest in CHIL which is in the best interest of the Group.

**5. INTENDED USE OF THE SALE PROCEEDS**

The proceeds from the Disposal will be used for expanding the Group's overseas investment and to fund working capital.

**6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL**

Based on the latest announced consolidated accounts of the Group as at 31 December 2012, the relative figures computed in accordance with Rule 1006 of the Listing Manual are as follows:

		<b>Asset Disposed of (S\$'000)</b>	<b>The Group (S\$'000)</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of the asset to be disposed of, compared with the Group's net asset value	1,340	1,786,690	0.07%
(b)	Net profits attributable to the asset disposed compared with the Group's net profits	32,700	187,065	17.5%
(c)	Aggregate value of the consideration compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	48,080	1,288,111	3.7%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable		

As the relative figure computed under Rule 1006 (b) in the table above exceeds 5% but does not exceed 20%, the Disposal is considered as a discloseable transaction under Rule 1010 of the Listing manual, for which the approval of the shareholders of the Company is not required.

**7. FINANCIAL EFFECTS OF THE DISPOSAL****(a) Net tangible assets (“NTA”) per share**

For illustrative purpose only, assuming that the Disposal had taken place on 31 December 2012, being the end of the most recently completed financial year, the impact on the NTA of the Group are as follow:

	<b>Before Disposal</b>	<b>After Disposal</b>
NTA (S\$'000)	1,786,690	1,819,390
NTA per share (S\$)	2.58	2.63

**(b) Earnings per share (“EPS”)**

For illustrative purpose only, assuming that the Disposal had taken place on 1 January 2012, being the beginning of the most recently completed financial year, the impact on the EPS of the Group are as follow:

	<b>Before Disposal</b>	<b>After Disposal</b>
Net profit after tax (S\$'000)	187,065	219,765
Weighted average number of shares	700,846,000	700,846,000
EPS (cents)	26.69	31.36

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

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

**9. DOCUMENT FOR INSPECTION**

Copy of the Share Repurchase Agreement is available for inspection during normal business hours at the registered office of the Company at 12 Tannery Road, #10-01 HB Centre I, Singapore 347722 for a period of three (3) months from the date of this Announcement.

On behalf of the Board  
Desmond Woon  
Executive Director  
28 February 2013