



HO BEE GROUP

HO BEE INVESTMENT LTD
(Company Registration No. 198702381M)

MEDIA STATEMENT

CLARIFICATION OF MEDIA REPORTS – THE COAST AT SENTOSA COVE

Singapore, 10th September 2013 – Ho Bee Investment Ltd (“**Ho Bee**”) issued a statement in response to media reports on a law suit filed by the MCST of The Coast (the “**MCST**”) against Ho Bee Cove Pte. Ltd. (“**Ho Bee Cove**”), the developer of The Coast, over alleged defects to the common property of the development.

On 26th February 2013, Ho Bee Cove received a letter from the solicitors representing the MCST demanding that we rectify defects identified by their building expert, the cost of which was estimated to be in excess of S\$2 million.

Our consultants and main contractor reviewed the list of defects/claims in the letter and advised that many of the defects were not construction defects that Ho Bee Cove was liable for but due to fair wear and tear or the lack of adequate and proper maintenance. Further, Ho Bee is of the view that the claims estimated at more than S\$2 million were grossly inflated.

As a responsible developer, we engaged a well regarded and experienced professional building expert, M/s Robinson Jones & Associates Pte Ltd (“**RJA**”), to provide an independent assessment of the alleged defects set out in the letter of 26th February 2013. RJA similarly assessed that most defects were not genuine building defects, but due to fair wear and tear or the lack of adequate and proper maintenance. Insofar as genuine defects are concerned, RJA’s view is that the cost of the rectification works would not exceed S\$200,000.

Ho Bee Investment Ltd
Media Statement
Page 2

Despite our repeated offers to rectify genuine building defects, the MCST had been non-responsive and non-committal to our offers. Instead, on 5th August 2013, the MCST served a Writ of Summons on Ho Bee Cove, the architect, the M&E consultant and the main contractor in relation to the alleged defects.

In its defence filed on 27th August 2013, Ho Bee Cove maintained that the majority of the alleged defects were not genuine building defects, but due to fair wear and tear or the lack of proper maintenance. Ho Bee Cove has maintained that it is responsible and committed to the MCST to rectify genuine defects throughout the entire process.

Ho Bee Cove will vigorously defend the MCST's claims as many of the alleged defects are, in their and RJA's view, frivolous and the alleged cost of rectification is simply inflated.

Issued by: Ho Bee Investment Ltd (Co. Registration No. 198702381M)

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