



HO BEE GROUP

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

NOTICE OF SALE OF INVESTMENT PROPERTY

Ho Bee Investment Ltd (“HBI”) wishes to announce that its wholly-owned subsidiary, Ho Bee Realty Pte Ltd, has entered into a contract for the sale of One Tannery, a block of 9-storey industrial building located at 1 Tannery Road (the “Property”) to TAS Services Pte Ltd (the “Purchaser”).

The Property with a net lettable area of 66,821 sq ft is sold with existing tenancies. The sale price of S\$47 million worked out to approximately S\$703 per sq ft. This was derived at on a willing seller willing buyer basis, taking into account current market conditions and the open market value of S\$28.1 million as at 31 December 2011 which was appraised by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

No revaluation was conducted for the purpose of this sale saved for the last valuation mentioned in the preceding paragraph.

The Purchaser has already paid a deposit of 5% of the sale price and the balance will be payable upon completion on or before 5 June 2012. The sale proceed is intended to be used for the reduction of the Group’s borrowings and provide additional working capital for the Group’s businesses.

The sale is expected to yield a gain of approximately S\$18 million. This will be reflected in the Group’s financial result for the second quarter of 2012 and it will have a positive impact on the Group’s consolidated earnings and net tangible assets per share of HBI in the current financial year ending 31 December 2012.

Assuming that the sale transaction had been effected at the end of the fourth quarter ended 31 December 2011, the earnings per share for FY2011 would have increased from 28 cents to 30.5 cents and the net tangible assets per share of HBI would have increased by S\$0.02 to S\$2.36.

No director or substantial shareholder of HBI has any direct or indirect interests in the above transaction.

On behalf of the Board
Desmond Woon
Executive Director
13 March 2012