



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

INVESTMENT IN CHINA PROPERTY MARKET

Ho Bee Investment Ltd (“HBI”) wishes to announce that its Hong Kong associated company, Chongbang Development Limited (“CDL”) in which the Group had a 20% interest held through its 70% owned subsidiary, HBS Investments Pte Ltd (“HBS”), had undergone a restructuring whereby HBS disposed of its entire stake in CDL in exchange for a 9.02% interest in Chongbang Holdings Limited (“CHL”).

CHL is a newly incorporated Cayman Island company, and is the holding company of CDL. The business activities of CHL and its subsidiaries will continue to focus on acquisition of real estate projects, companies and investments in the People’s Republic of China.

The authorized share capital of CHL is US\$100,000 divided into 100,000 shares of US\$1 each. The anticipated working capital requirement of CHL is US\$150 million and will be funded by loans from shareholders. HBS’s share in this new structure is approximately US\$13.5 million and will be financed by the Group’s internal funds. This investment is not expected to have any material impact on the Group’s consolidated earnings and net tangible assets per share of HBI in the current financial year.

None of the directors or substantial shareholders of HBI has any direct or indirect interests in the above transaction other than through their shareholdings in HBI.

On behalf of the Board

Desmond Woon
Executive Director
27 October 2006