

Ho Bee Land Limited

(Co. Reg. No.: 198702381M)

PRESS RELEASE**For Immediate Release**

**Ho Bee Land acquires a prime Grade A office investment
in City of London for £171 million**

SINGAPORE, 7 March 2014 – Mainboard-listed property group Ho Bee Land Limited today announced that its wholly owned subsidiary, HB Le Grand Pte. Ltd. has entered into a sale and purchase agreement with Nomura Properties Plc to acquire a freehold property known as 1 St Martin's Le Grand, London, EC1A 4NP for £171 million.

The property is located in a prominent island site in the western core of the City of London. It is in a location very popular with financial institutions such as Goldman Sachs, The London Stock Exchange, Lloyds TSB, Schroders, BT, Investec and Commerzbank. Transport facilities are excellent, with the building in close proximity to St Paul's and Barbican Underground Stations. They will be enhanced further following the completion of Crossrail, with stations planned at Farringdon and Moorgate / Liverpool Street which are within walking distance.

1 St Martin's Le Grand was originally constructed in the late 19th Century. It serves as the General Post Office of London in the past. The building was redeveloped behind its original Portland stone façade in the late 1980s by Nomura. The building comprises approximately 276,792sq ft. of Grade A office arranged over basement, ground and nine upper floors.

A comprehensive refurbishment was completed in 2007 and an internal refurbishment programme was also undertaken in 2011.

The property is multi-let to 5 tenants with very good covenants. They are Mitsui & Co Europe, Pyramis Global Advisors, Julius Baer International, SS&C Technologies and Nomura International Plc. The average lease before the break options and lease expiries are 8 years and 12 years respectively.

The acquisition price reflects a nett yield of 5.5% with total annual rentals of more than £9.9 million. Fixed uplift on over 50% of the passing income at the 2019 rental reviews will improve the running yield further. The balance remaining income is also well placed to benefit from the rental growth most city forecasters are predicting. The capital value at the purchase price also reflects a relatively low capital value of £618 psf.

In May 2013, Ho Bee Land acquired Rose Court in the City of London for £67.2 million. The Chairman and Chief Executive Officer of Ho Bee Land, Mr. Chua Thian Poh said “The acquisition of 1 St Martin’s Le Grand is our second major office acquisition in the City of London and shows our confidence in the London office market which is strengthening rapidly in tandem with the improving UK economy.” He added “The acquisition is part and parcel of the Group’s continuing diversification overseas in times when the local market is facing very strong headwinds with limited investment opportunities.”

The above transaction is not expected to have any material impact on the consolidated earnings per share and net tangible assets per share of Ho Bee Land for the current financial year.

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About Ho Bee Land Limited

Ho Bee Land Limited is listed on the Mainboard of the Singapore Exchange since 1999. The real estate development and investment company has a portfolio that covers many quality residential, commercial and high-tech industrial projects since its establishment in 1987.

It is the leading developer of luxury homes in the exclusive residential enclave of Sentosa Cove including the ultimate condominium, Cape Royale. Its portfolio of investment properties includes a 1.08 million square feet of lettable commercial space in The Metropolis, situated at the gateway to the vibrant precinct of one-north.

Headquartered in Singapore, Ho Bee has also diversified its real estate business overseas to Australia, China and United Kingdom.

More information about the company can be found on the company’s website at www.hobee.com.

Issued by: Ho Bee Land Limited (Co. Registration No. 198702381M)

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