



HO BEE INVESTMENT LTD

For Immediate Release

PRESS RELEASE

Ho Bee Group posts a net profit of S\$31.5 m for the third quarter ended 30 September 2012

SINGAPORE, 7 November 2012 – Mainboard-listed property group Ho Bee Investment Ltd today announced a net profit after tax and non-controlling interests of S\$31.5 million for the third quarter ended 30 September 2012, 4% lower than the previous corresponding period.

Group turnover increased 6%, from S\$56 million in 3Q2011 to S\$59.1 million, due to higher revenue recognition from development properties. Share of profit from jointly controlled entities rose 165% to S\$20.2 million from S\$7.6 million in the corresponding period last year.

Earnings per share for the third quarter was 4.5 cents, the same as the previous corresponding period.

As announced on 29 October 2012, Hotel Windsor was sold for S\$163 million. The original purchase cost of the hotel was approximately S\$42 million. This will result in a gain of approximately S\$121 million of which S\$94.7 million has been accounted for as revaluation reserve as at end of September 2012. An approximate balance of S\$25.9 million will be recognized as profits on completion in May 2013.

For the nine months period, profit attributable to shareholders decreased 13% from S\$137.6 million in the previous year to S\$120.2 million, translating to an earnings per share of 17.1 cents.

The drop in attributable profits were due to the 10% decrease in Group turnover to S\$244.9 million (9M2011: 272.3 million), lower gain on sale of investment property of S\$17.9 million (9M2011: S\$30.9 million) and lesser share of profit from jointly controlled entities of S\$27.4 million (9M2011: S\$32.6 million).

Total shareholders' fund as at 30 September 2011 amounted to S\$1.74 billion, representing a net asset value of S\$2.48 per share. Net gearing decreased from 0.27 times as at the end of last year to 0.23 times.

Property Development

The Group's revenue from property development for 3Q2012 increased 8% from 3Q2011 to S\$53.7 million due to higher revenue recognition for Trilight, residential project. For the nine-month period, revenue decreased 10% from S\$252.6 million in the previous year to S\$228.4 million. This was mainly attributed to the lower revenue recognition for The Orange Grove project.

Property Investment

Turnover for property investment for the third quarter and first nine months of 2012 decreased by 17% and 25% to S\$3.3 million and S\$10.1 million respectively, compared to the same period last year. This was due primarily to the sale of industrial building, One Tannery in June 2012 and the office space at Samsung Hub last year.

Business Outlook

Mr. Chua Tian Poh, Chairman & CEO of Ho Bee Group said that the Group's earnings for the fourth quarter will be underpinned by the income recognition from the residential project, Trilight which has obtained Temporary Occupation Permit and the sale completion of the remaining units at The Orange Grove.

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About Ho Bee Investment Ltd

Ho Bee Investment Ltd 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. Its treasury of residences in Sentosa Cove includes condominiums like The Berth, The Coast, Turquoise and Seascape and bungalow developments on Coral and Paradise Islands.

Some of the properties that are currently under development by Ho Bee include:

- Pinnacle Collection, a 302-unit condominium in Sentosa Cove (35:65 joint venture with IOI Land); and
- The Metropolis, a 1.2 million sq ft commercial development in One-North.

Headquartered in Singapore, Ho Bee has also diversified its real estate business overseas with a focus in the major cities of London (United Kingdom), Shanghai, Tangshan, Zhuhai (PRC) and Gold Coast (Australia).

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

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

Media & Analysts Contact:

Desmond Woon
Tel: (+65) 68422100
Email: desmond@hobee.com