



HO BEE INVESTMENT LTD

For Immediate Release

PRESS RELEASE

Ho Bee Group achieved a net profit of S\$111.7 m for the six months ended 30 June 2011

SINGAPORE, 8 August 2011 – Mainboard-listed property group Ho Bee Investment Ltd today announced a net profit after tax and minority interests of S\$111.7 million for the six months ended 30 June 2011, 34% lower than the previous corresponding period.

The decrease in attributable profits was due to the 36% decrease in Group turnover from S\$366.5 million to S\$236.2 million, as a result of higher revenue recognition from development properties in the same period last year.

Earnings per share for the six months period was at 15.3 cents while total shareholders' fund as at 30 June 2011 amounted to S\$1.543 billion, representing a net asset value of S\$2.13 per share. Net gearing decreased from 0.36 times as at the end of the last quarter to 0.32 times.

For the current second quarter, profit attributable to shareholders decreased 55% from S\$127.9 million in the previous year to S\$57.2 million, yielding an earnings of 7.8 cents per share. Group turnover was 43% lower, from S\$274.2 million to S\$157.6 million, as a result of the higher revenue recognition from development properties in the same quarter last year.

Property Development

Revenue from property development for the second quarter of 2011 amounted to S\$151 million, 43% lower than the corresponding period last year. For the six-month period, revenue decreased 37% to S\$222.6 million compared to S\$350.9 million in the preceding year. This was due mainly to the higher revenue recognition last year with the completion of residential project, Turquoise at Sentosa Cove.

The Group has launched its industrial development project, One Pemimpin in the second quarter of this year. As at the end of June 2011, 76% of the 115 strata units have been sold. Construction work has also commenced and completion is expected by the middle of next year.

Property Investment

The Group's revenue from property investment for the second quarter and first six months of 2011 decreased by 33% and 22% to S\$4.6 million and S\$9.7 million respectively compared to the same period last year. This was attributed to the sale of industrial buildings, TG Building, Platinum 28 and the office space at Samsung Hub during the second half of 2010 and the first quarter of 2011.

Business Outlook

The Group has sold the remaining three floors of office space at Samsung Hub for a total consideration of S\$100.9 million. The resulting capital gain of approximately S\$13.9 million on the sale of these investment properties will be recognized in the second half of 2011.

Mr. Chua Thian Poh, Chairman & CEO of Ho Bee Group said that together with the progressive recognition of income from the residential and industrial projects sold, the Group's earnings for the next two quarters of the year would continue to be positive.

He added, "the construction of our 1.2 million sq ft flagship investment project at One-North, The Metropolis, is progressing well and is expected to complete by 4th quarter of 2013."

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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:

- Trilight, a 205-unit condominium in Newton Road;
- Parvis, a 248-unit condominium in Holland Hill (50:50 joint venture with MCL Land);
- Pinnacle Collection, a 302-unit condominium in Sentosa Cove (35:65 joint venture with IOI Land).
- The Metropolis, a 1.2 million sq ft commercial development in One-North; and
- One Pemimpin, a 115-unit high-tech industrial building in Pemimpin Drive.

Headquartered in Singapore, Ho Bee has also diversified its real estate business overseas with a focus in the major cities of London, Shanghai and Tangshan.

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

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