



HO BEE INVESTMENT LTD

For Immediate Release

PRESS RELEASE

**Ho Bee registered strong net profit of S\$116m for 4th
quarter 2010, an increase of 168%.**

SINGAPORE, 24 February 2011 – Mainboard-listed property group Ho Bee Investment Ltd today announced another set of strong results for financial year 2010.

The group registered an increase of 168% on its net profit after tax and minority interest for the 4th quarter of 2010 amounting to S\$115.6 million.

For the full year ended 31 December 2010, net attributable profit to shareholders was S\$308.4 million, 8% lower than the preceding year. This included the gains of S\$31.6 million and S\$66.5 million on the sale and fair value changes of investment properties, respectively. The good performance was also contributed by the share of profits of S\$51.6 million from jointly controlled entities.

With earnings per share of 41.9 cents, a one-tier final dividend of 3 cents per share has been proposed by the Company. Inclusive of the 1 cent interim dividend paid out earlier this year, the aggregate dividend for the financial year ended 31st December 2010 amounted to 4 cents per share.

Property Development

Turnover for the Group's property development in the 4th quarter of 2010 rose 13% to S\$104.1 million from S\$92.5 million in the corresponding period last year, as a result of the completion of The Orange Grove project in December.

For the whole of 2010, turnover was however lower at S\$506.7 million, a decrease of 55% over FY2009. This was attributed to the exceptionally high recognition of revenue in 2009 when five residential projects, namely Vertis, Quinterra, Orange Grove Residences, The Coast and Paradise Island, were completed.

Property Investment

For the 4th quarter of 2010, revenue from property investment increased 14% to S\$6 million. On a full year comparison, it was up 25% from S\$20.2 million in the corresponding period last year to S\$25.3 million.

During the last quarter of 2010, the Group sold TG Building, Frontech Centre and four floors of office space at Samsung Hub, generating a net gain of S\$30.2 million. This is part of the Group's strategy to rationalize its investment property portfolio, following the acquisition of 1.2 million sq ft of prime commercial development in One-North.

Financials

With the continued achievement of robust results, the Group's balance sheet remains strong. Shareholders' fund as at 31 December 2010 has strengthened to S\$1.48 billion. This works out to S\$2.01 per share, an increase of 23% as compared to the same period last financial year.

Business Outlook

Statistics from the Urban Redevelopment Authority continued to register a smaller increase of 2.7% in the prices of private residential properties in the 4th quarter of 2010 as compared to 2.9% in the previous quarter.

The recent anti-speculation measures introduced by the government in mid-January 2011 are expected to have a more dampening impact on both the volume of transactions and prices of private residential properties.

Notwithstanding the expected weakening of the residential property sector, Mr. Chua Thian Poh, Chairman & CEO of the Ho Bee Group, believes this will provide acquisition opportunities for the Group. He is also optimistic about the Group's performance in 2011 where earnings are expected to remain positive with the progressive recognition of income from the sale of development projects in the previous and current years.

"The Group will be launching the sale of strata high-tech industrial units at 1 Pemimpin Drive in March 2011. The project comprising 115 units averaging 1,200 sq ft has commenced construction early this year and is expected to be completed in the 2nd quarter of 2012. Our joint-venture residential project in Sentosa Cove, Seascape is expected to obtain TOP by the end February this year," said Mr. Chua.

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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);
- Seascape, a 151-unit condominium in Sentosa Cove (50:50 joint venture with IOI Land);
- Pinnacle Collection, a 302-unit condominium in Sentosa Cove (35:65 joint venture with IOI Land).
- One-North, a 1.2 million sq ft commercial development; and
- One Pemimpin Drive, a 115-unit high-tech industrial building.

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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