



HO BEE INVESTMENT LTD

PRESS RELEASE – FOR IMMEDIATE RELEASE

Ho Bee's net profit rises by 51.5% to S\$47.5m for 9 months ended Sep 2006

Revenue and profit for period have exceeded FY2005 numbers

Outlook is bullish with active high-end market segment, says Chairman & CEO

SINGAPORE, 8 November 2006 – BOOSTED by strong sales of its well-located properties, mainboard-listed Ho Bee Investment Ltd today announced a net profit after tax and minority interests of S\$47.5 million for the nine months ended 30 September 2006. This is an increase of 51.5% over the S\$31.3 million it made in the same period the previous year. Indeed, the nine-month net profit in 2006 has already exceeded its FY2005 net profit by S\$9.4 million or 25%.

Group turnover for the first nine months of 2006 stands at S\$229.0 million, up 55% from S\$147.7 million it recorded in the previous corresponding period. Quarter-on-quarter, the Group doubled its revenue to S\$54.5 million from S\$27.2 million, and registered an increase in net profit after tax and minority interests of 30.3% to S\$9.9 million, up from S\$7.6 million.

Property Development - Record turnover from sale of prime properties

Contributing significantly to the revenue increase is the income generated by the Group's property development activities which registered a turnover of S\$220.5 million in the first nine months of 2006, up 94% from S\$113.4 million in the previous corresponding period.

The increase in turnover can be attributed to the sale of the Group's office building at Robinson Road, HB Robinson, which was transacted at a price of S\$80 million in the 2nd quarter of 2006. In addition, the Group also booked its progressive income from the sale of a few of its residential projects, adding further buoyancy to its topline. These include: The Berth by the Cove (97% sold), The Berthside (100% sold) and Coral Island (95% sold) at Sentosa Cove, Montview (98% sold) at Mount Sinai and Vertis (43% sold) at Amber Gardens. The Berthside and The Berth by the Cove have recently obtained their Temporary Occupation Permit in September 2006 and October 2006 respectively.

Property Investment - Improved occupancy with better rental rates

Turnover for the Group's property investment division for the third quarter rose to S\$4.1 million, up 78% from the corresponding period last year. The increase was due to the completion of sale of 2 apartments units in Changyuan, Shanghai.

However, the turnover for the nine months of 2006 was down to S\$8.4 million from S\$34.3 million as the bulk of the 68 units of Changyuan apartments in Shanghai had been sold in the last two years. To date, a total of 67 units had been sold.

Rental income from investment properties continued to achieve higher occupancy rates of close to 100% and with better rental rates for renewed leases.

"In the nine months of this year, we have already achieved what we did for the whole of last year, and more. I think this is indeed a set of outstanding results and I am delighted at our performance," said Mr Chua Tian Poh, Chairman and Chief Executive Officer of the Ho Bee Group.

Strong Financials

The Group's financial standing remains robust. Although net gearing is currently at 96%, the group expects this to be substantially reduced by the end of fourth quarter 2006 as a result of strong cashflow from the completion of The Berth by the Cove as well as sales from its latest development, The Coast.

The Group's assets now total S\$1.01 billion and net tangible assets stand at S\$451 million. This works out to 61.2 cents per share, compared with 49.9 cents per share as at 31 Dec 2005, an increase of 23%. Earnings per share stands at 6.87 cents, up 35% from the previous corresponding period.

Ho Bee has also registered a positive net working capital of S\$733 million, an increase of 86% compared to the previous corresponding period.

Positive Outlook

Ho Bee's Mr Chua is upbeat and optimistic about the Singapore property market outlook, noting that the high-end residential market – where Ho Bee is substantially exposed with its various developments -- continues to be active.

Citing Ho Bee's most recent success, Mr Chua said that 70% of Ho Bee's 249-unit condominium known as The Coast in Sentosa Cove was snapped up within two weeks of private previews. Benchmark average pricing of S\$1,580 psf had been achieved for 80% of the units sold.

Indeed, Mr Chua also pointed out that prices of private residential properties have continued to rise for the ten consecutive quarters, with the 3rd quarter of 2006 showing the highest increase – 2.7% over 1.8% in the previous quarter (according to statistics released by the Urban Redevelopment Authority).

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About Ho Bee Investment Ltd (www.hobee.com)

Ho Bee Investment Ltd (Ho Bee) is principally engaged in the business of real estate development and investment in Singapore and overseas. Established in 1987, it has earned a reputation as a builder of quality developments in the residential, industrial and commercial sectors.

The Group is highly focused on its core business and adopts a nimble and fleet-footed approach to all investment decisions. It has an able and experienced management team that has an aggregate of about 100 years of experience in the business.

The Group is the biggest buyer of housing sites on Sentosa Cove since land parcels in this upscale housing district came on the market in late 2003. To date, it has bought five parcels of land totalling 906,924 sq ft on the island.

Some of the properties developed by Ho Bee that are currently on the market include:

- The Coast (Sentosa Cove), a 249-unit condominium
- Coral Island (Sentosa Cove), 21-luxurious waterfront villas
- Vertis, a 42-unit apartment block in Amber Gardens
- Quinterra, a 55-unit apartment block in Holland Road

It also expects to launch a 60-unit freehold condominium in the upscale Orange Grove Road area in the first quarter of next year.

As opportunities arose, the Group has also diversified overseas, namely in the UK and China. It also has a diversified portfolio of investment properties that consist of residential, industrial and commercial properties in Singapore. The Group was listed on the Singapore Stock Exchange in 1999.

**Media and Analysts Contact:
Waterbrooks Consultants Pte Ltd**

Ms Judy Kan
Tel: (+65) 6100-2228
Mobile:(+65) 96315053
Email: judy.kan@waterbrooks.com.sg

Mr Wayne Koo
Tel: (+65) 6100-2228
Mobile:(+65) 93388-166
Email: wayne.koo@waterbrooks.com.sg

This Press Release is to be read in conjunction with the 3rd Quarter 2006 Financial Results posted by the Company on 8 November 2006 via SGXNET.