



*HO BEE INVESTMENT LTD*

(Co. Regn. No. 198702381M)

## **PRESS RELEASE**

# **Ho Bee sees five-fold jump in net profit to record S\$194.2m for first half of FY2007**

**Ho Bee expects continuing demand for its developments coming onstream, says Chairman and CEO Chua Thian Poh**

**SINGAPORE, 13 August 2007** – ON THE back of a booming property market, mainboard-listed property developer Ho Bee Investment Ltd has turned in a record net profit after tax and minority interest of S\$194.2 million for the first half ended 30 June 2007, up 417 % from the S\$37.6 it registered in the previous corresponding period. This is almost double the S\$98.6 million it recorded for the whole of FY2006.

Shareholders will also be rewarded with an interim dividend comprising 0.3 cents (franked) and 0.7 cents (one-tier). With this payout, Ho Bee would have fully utilised its Section 44A tax credits that will expire in December this year.

Group turnover for the first half of 2007 hit a new high of S\$405.8 million, up 133% from the S\$174.5 million it achieved in the first half of the previous financial year. At this level, the Group's six-month turnover has surpassed what it did for the whole of FY2006.

Compared with the first half of the preceding year, earnings per share rose substantially to 26.3 cents, up from 5.63 cents.

Quarter-on-quarter, group turnover was up 31% at S\$160 million from S\$121.7 million, mainly attributable to the 30% increase it recorded in its property development segment.

With the inclusion of the S\$71 million gain in fair value of investment properties, profit before tax for the second quarter soared to S\$141.5 million, an increase of 356% over the S\$31.0 million it recorded in the previous corresponding quarter. Its profit attributable to shareholders was also up five-fold from S\$24.4 million to S\$125.1 million, driving up earnings per share from 3.4 cents to 17.0 cents.

### **Property development and property investment**

Revenue from the Group's property development in the first half of 2007 surged to an all-time high of S\$398.4 million, an increase of 134% over the S\$170.2 million it registered in the corresponding period last year. The main contribution came from the progressive recognition of income from the sale of three high-end residential projects, namely, Orange Grove Residences at Orange Grove Road, The Coast and Paradise Island at Sentosa Cove. To date, five of the Group's seven property projects under development are 100% sold. The remaining two, Paradise Island and Orange Grove Residences, are 96% and 95% sold respectively.

The Group's revenue from property investment for the second quarter and the first half of 2007 amounted to S\$2.9 million and S\$4.6 million, registering increases of 112% and 63% respectively over the previous corresponding periods. The increase was mainly attributed to the rental income from its newly-acquired office space at Samsung Hub and industrial buildings at 31 Tannery Land and 1 Tannery Road.

The Group's financial standing remains robust with assets now totalling S\$1,717 million and net working capital of S\$866.1 million. Net asset per share rose 30.6 cents from 67.9 cents at the end of last year to 98.5 cents, with total shareholders' fund amounting to S\$726.5 million.

## **Positive outlook**

Mr Chua Thian Poh, Chairman and Chief Executive Officer of the Ho Bee Group was delighted with another record financial performance. He said that the Group's revenue and earnings for the next two quarters will be underpinned by the progressive recognition of income from the successful residential projects that have been launched.

Notwithstanding the recent developments in the global financial markets, Mr Chua remains optimistic about the overall outlook of the property market and points to Urban Redevelopment Authority statistics that seem to show a continued uptrend in prices of both residential and commercial properties.

"The prices for private residential properties in the second quarter of 2007 have increased by 8.3%, compared with the 4.8% rise in the first quarter. Overall prices for non-landed properties in the Core Central Region also registered a higher increase of 7.9% in the second quarter of 2007 against a 5.5% rise in the previous quarter," he said.

Ho Bee expects continuing demand for its residential projects located in the Core Central Region that will be launched in the next 12 months. These are the 91-unit Waterfront Collection and the 151-unit Seaview Collection (jointly with IOI Land) projects at Sentosa Cove, the 72-unit condominium at Orange Grove Road/Steven Road, the 150-unit condominium at Newton Road and the 184-unit condominium at Holland Hill (jointly with MCL Land).

## **Recent acquisitions**

During the second quarter of 2007, the Group made two choice acquisitions: Elmira Heights in Newton Road and a condominium plot at Dakota Crescent. Together, these have a combined site area of 233,427 sq ft, translating into approximately 500 units of condominium.

Ho Bee has built a reputation for itself in the last 20 years as a developer of quality properties – residential, industrial and commercial. Since its first foray into the residential property market on Sentosa Cove, and its subsequent unqualified success in promoting and selling its upscale homes there, it has become the biggest housing developer on Sentosa Cove. To date, it has acquired seven parcels of land totalling over 1 million sq ft on the island.

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***About Ho Bee Investment Ltd ([www.hobee.com](http://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 that upscale housing district came on the market in late 2003. To date, it has bought seven parcels of land totalling over 1 million sq ft on the island.

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

- Montview, a 115-unit condominium in Mt Sinai Drive
- Orange Grove Residences, a 60-unit condominium in Orange Grove Rd
- Paradise Island, comprising 29 villas in Sentosa Cove
- Quinterra, a 55-unit apartment block in Holland Road
- The Coast, a 249-unit condominium in Sentosa Cove
- Vertis, a 42-unit apartment block in Amber Gardens

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 industrial and commercial properties in Singapore. The Group was listed on the Singapore Stock Exchange in 1999.

Issued for and on behalf of Ho Bee Investment Limited by: Waterbrooks Consultants Pte Ltd

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