



HO BEE INVESTMENT LTD

(Co. Regn. No. 198702381M)

Ho Bee posts record full-year net profit of S\$99m, up 159% from previous year

Group announces a final and special dividend totalling 2 cents

Outlook is rosy and Ho Bee looks set to ride the current property uptrend, says Chairman and CEO Chua Thian Poh

SINGAPORE, 26 February 2007 – BUOYED by an active property sector and positive market sentiment, mainboard-listed property development group Ho Bee Investment Ltd today announced a net profit after tax and minority interest of S\$98.6 million for the full year ended 31 December 2006, up 159% from the previous year.

The Group doubled its turnover for financial year 2006, turning in S\$393.1m, an increase of 100% over the S\$196.8m it recorded in the previous financial year. Earnings per share stands at 14.04 cents compared to 6.17 cents previously, an increase of 128%.

The company also declared a gross final dividend of 0.75 cents per share and a special dividend of 1.25 cents per share. Including the interim dividend of 0.75 cents that it paid out last year, total dividend payment works out to 2.75 cents per share.

Mr Chua Thian Poh, Chairman and Chief Executive Officer of the Ho Bee Group, was delighted with the Group's performance. He said: "The year 2006 has been the most significant in Ho Bee's 19-year history. We have broken some of our own records in terms of turnover and profit, as well as in Ho Bee's market capitalisation which has passed the S\$1 billion mark."

Steep rise in sales of development properties

Increased sales of the Group's development properties contributed S\$382.2 million to the Group's total turnover, resulting in a steep escalation of 160% over the S\$146.7 million it recorded the previous year. Progressive recognition of income from residential projects, namely, The Berth by the Cove, The Berthside and Coral Island in Sentosa Cove, Montview at Mount Sinai and Vertis at Amber Gardens were the main income contributors, accounting for 72% of total revenue from property development. This was followed by the sale of the Group's office building in Robinson Road, HB Robinson, and other remaining residential units in Parliament View, London, 9 Holland Hill etc.

The Group's property investment division saw reduced activity, registering a turnover of S\$7.5 million in financial year 2006, down 84%. This was because most of the 68 units of Changyuan apartments in Shanghai, as well as one floor of office space in Suntec Tower 2, have been sold. Although the sale of the office space resulted in a loss of rental income, the Group only recorded a marginal decline in rental income as its other rental properties saw improvement in occupancy and rental rates.

It also recorded a revaluation surplus of S\$9.7m on its investment properties at the end of financial year 2006, arising from the increase in value for the two floors of office space at Suntec Tower 2 and the 7 units of warehouse space in Kaki Bukit Warehouse Complex which value was written down in previous years.

Positive outlook

The Group's financial standing remains strong. Its assets now total S\$998.8 million and net tangible assets stand at S\$500.6 million. This works out to 67.9 cents per share, compared with 49.9cents per share as at 31 Dec 2005, an increase of 36%. Ho Bee has also registered a positive net working capital of S\$732.8 million, an increase of 83.7% compared to the previous year.

Mr Chua said he expected the Group to sustain its growth this financial year as the property market is expected to continue its uptrend. He pointed to the latest URA statistics which showed that price increases for private residential projects under development in the Core Central Region was 6% over the 3rd quarter 2006. And for the whole of 2006, property prices in this region registered a double-digit rise of 25.4% as compared to 7% in year 2005.

This heightened demand appeared to have overflowed into the 1st quarter 2007 as evidenced by the exceedingly strong demand in many of the recently launched projects which were snapped up or substantially sold within a very short period of time, he said.

The Group is still riding on the wings of its success in its Sentosa Cove projects, said Mr Chua. Its 249-unit condominium project – The Coast – is two units short of being fully sold. “We will be launching our Paradise Island and our Waterfront Collection this year and we are confident that these will be well-received,” he added.

In addition, the Group's newly-launched Orange Grove Residences enjoyed a strong take-up rate achieving average prices of above S\$2,000 psf. This augurs well for the earnings potential of another Ho Bee project that the Group acquired last year: the Orange Grove Condominium site at the junction of Orange Grove Road and Stevens Road. .

The Group recently also acquired two other premium sites: Holland Hill Mansions (jointly with MCL Land) and Waterfront Collection in Sentosa Cove. Together, the

three sites have a combined site area of 462,000 sq ft, translating into about 370 units of condominium. The Group expects to launch the Orange Grove and Waterfront sites in the fourth quarter of 2007.

“We will also continue to actively survey the property landscape – here and overseas -- and we are well-positioned to tap on any market opportunities that come our way,” said Mr Chua.

Quality developer

Ho Bee has built a reputation for itself in the last 19 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 six parcels of land totalling just over 1 million sq ft on the island. Its Coral Island development, comprising 21 luxurious waterfront villas, is due for completion in the second half of 2007. It will be launching Paradise Island comprising 29 luxurious waterfront villas shortly and the 102-unit condominium development at Waterfront Collection site by the 4th quarter of this year.

On the mainland, Ho Bee’s residential developments that have been launched recently include :

- Vertis, a 42-unit apartment block in Amber Gardens
- Quinterra, a 55-unit apartment block in Holland Road
- Orange Grove Residences

It also expects to launch another 72-unit freehold condominium in the upscale Orange Grove Road area later this year.

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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 that upscale housing district came on the market in late 2003. To date, it has bought six parcels of land totalling just over 1 million sq ft on the island.

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

- Vertis, a 42-unit apartment block in Amber Gardens
- Quinterra, a 55-unit apartment block in Holland Road
- Orange Grove Residences

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.

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