



*HO BEE INVESTMENT LTD*

## **Robust property market, strong economy lift Ho Bee's full-year net profit to record S\$272m, up 176% from previous year**

**SINGAPORE, 27 February 2008** – BOOSTED by a robust property market and a strong economy, mainboard-listed property development group Ho Bee Investment Ltd today announced a set of sterling results for financial year 2007 that has broken all its records to date.

The property development group announced a record net profit after tax and minority interest of S\$272 million for the full year ended 31 December 2007, up 176% from the previous year. This was achieved on the back of a record revenue of S\$596 million, up 52% from its previous peak of S\$393 million. Earnings per share stands at 36.9 cents compared to 14.0 cents previously, an increase of 163%.

The company also proposed a one-tier final dividend of 2.0 cents per share. Including the interim dividend of 0.7 cents (one-tier) and 0.3 cents (franked) that it paid out earlier this year, this works out to a dividend yield of 2.4% based on yesterday's closing share price of S\$1.26.

With the inclusion of the S\$83.3 million gain in fair value changes of investment properties, profit before tax for the period under review soared to S\$330.2 million, an increase of 166% over the S\$124.1 million it recorded in the previous financial year.

Mr Chua Thian Poh, Chairman and Chief Executive Officer of the Ho Bee Group, was pleased with the Group's splendid performance. He said: "In a competitive market, we have to be alert and diligent at all times to ensure that we continue to show good results. We will continue to monitor the demand carefully, and to be sensitive to the market in order to respond accordingly."

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

The Group's turnover for property development saw a drop in the fourth quarter by 66% to S\$54.6 million as compared to S\$161.7 million registered in the previous corresponding quarter. This was largely due to the very substantial progressive recognition of sales income from the Sentosa Cove residential project, The Berth, which obtained Temporary Occupation Permit ("TOP") and Certificate of Statutory Completion ("CSC") in the 4th quarter of 2006.

Year-on-year, sales of the Group's development properties was steeply higher, rising 51% to S\$576.7 million, as compared to S\$382.2 million in the previous financial year. This was primarily due to the progressive recognition of income from the Group's residential projects at Sentosa Cove, namely Coral Island which obtained Temporary Occupation Permit ("TOP") in the 3<sup>rd</sup> quarter of 2007, The Coasts, and Paradise Island, Orange Grove Residences at Orange Grove Road, Montview at Mount Sinai and Quinterra at Holland Road.

Of its eight developments, five are fully sold, namely, Coral Island and The Coast at Sentosa Cove, Montview at Mount Sinai, Vertis at Amber Gardens and Quinterra at Holland Road. The sales status of the others are as follows: Paradise Island at Sentosa Cove is 96% sold, Orange Grove Residences is 92% sold and Turquoise at Sentosa Cove is 48% sold. There was no recognition of income for Turquoise at Sentosa Cove yet as construction works had not started.

In line with the strong economy, the Group's property investment division continued to benefit from high occupancy levels and improvement in rental rates. Quarter-on-quarter, turnover rose 180% from S\$1.46 million to S\$4.1 million while year-on-year, the division registered an increase of 69% to S\$12.7 million. This was mainly due to the rental income derived from the Samsung Hub office space at Church Street which the Group acquired in early 2007.

## **Financials**

The Group's financial standing remains strong. As at 31 December 2007, its assets totalled S\$2.02 billion, up 103% or S\$1.02 billion higher than at 31 Dec 2006. Equity attributable to shareholders amounted to S\$810.5 million. This works out to 110 cents per share, compared with 68 cents per share as at 31 Dec 2006, an increase of 62%.

## **Outlook**

Ho Bee's Mr Chua said he was cautiously optimistic about the market outlook. He cited URA statistics that reported a continued rise of overall prices of residential properties in the fourth quarter, albeit at a lower rate. According to the URA, overall prices for residential properties rose 6.8% compared to 8.3% in the previous quarter. For non-landed properties, the increase was 7.2%, against 8.3% in the previous quarter. Year-on-year, overall prices have gone up by 31.2% while for non-landed properties, prices were up by 32.6%.

Mr Chua said: "At this point in time, there seems to be an element of uncertainty, especially in the light of the US sub-prime crisis and the current global financial turmoil. However, the Singapore economy is expected to grow by 4% to 6% this year and this will help to underpin the real estate market.

“For Ho Bee, the substantial progressive recognition of income from the successful sale of residential projects and the expected launch of new residential projects will contribute significantly to our Group’s revenue and earnings for the FY2008 and the next two years.

“At the same time, our management team is continually surveying the property landscape – here and overseas -- to tap on any market opportunities that arise,” Mr Chua added.

### **Recent acquisitions**

During the year, the Group acquired three premium residential sites, namely, Elmira Heights at Newton Road, Dakota Crescent (jointly with ChoiceHomes Investments Pte Ltd) and Seaview Collection at Sentosa Cove (jointly with IOI Land Singapore Pte Ltd). With a combined land area of 393,150 sq ft, approximately 650 luxurious units of condominium will be erected.

Written permission for all three projects has been obtained, and they are expected to be launched within the next twelve months.

In Jan 2008, the group acquired the last prime condominium site in Sentosa Cove, the Pinnacle Collection, together with its joint venture partner IOI Properties (Singapore) Pte Ltd. When completed, the Pinnacle Collection, sitting on about 231,677 sq ft of land, will be the biggest condominium in Sentosa Cove. Standing tall at 20-storeys, the iconic condominium is set to be the tallest masterpiece that will be visible from afar, shaping the island's distinctive skyline.

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 eight parcels of land totalling just over 1.4 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 1988, 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 eight parcels of land totaling just over 1.4 million sq ft on the island.

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

- Paradise Island at Sentosa Cove
- Turquoise at Sentosa Cove
- 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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Issued for and on behalf of Ho Bee Investment Limited by: Waterbrooks Consultants Pte Ltd

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