

**Ho Bee Land Limited**

(Co. Reg. No.: 198702381M)

**PRESS RELEASE****For Immediate Release**

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**HO BEE LAND ACQUIRES ITS SIXTH PRIME OFFICE BUILDING IN LONDON**

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**SINGAPORE, 1 December 2015** – Mainboard-listed property group Ho Bee Land Limited today announced that its indirect wholly owned subsidiary, Kempster Investments Limited has entered into a sale and purchase agreement with Lunar House Limited to acquire a freehold property known as Apollo House and Lunar House, Wellesley Road, Croydon, London (the “**Property**”).

The gross purchase consideration for the Property is £99 million (approximately S\$210 million based on exchange rate of £1 to S\$2.125) which was arrived at on a willing-seller and willing-buyer basis. A 10% cash deposit has been paid and the balance will be payable in cash on completion which is scheduled on 30 December 2015.

The Property comprises two office buildings of 20 storeys and 22 storeys, providing total 441,797 square feet of office accommodation. The buildings were constructed in the late 1960s and underwent a phased refurbishment programme in 1995 and 2000. Both buildings enjoy excellent natural light and impressive views across the Croydon skyline. Please refer to the photograph attached.

The Property is currently let in its entirety to the British Government in two separate leases until 23 June 2023. The total rent is approximately £5.521 million per annum reflecting a very low average rent of £12.50 per square foot, and hence highly reversionary. There is a five yearly upward only rent review in December 2015 and December 2020. The annual rent reflects a net initial yield of 5.35% after allowing for transaction costs.

Croydon is the largest of the London boroughs in terms of population and is the sixth largest business and commercial centre in the U.K. It has excellent connectivity to both Central London and Gatwick International Airport. Croydon is an important part of the Greater London office market which houses 12,000 local, national and international businesses. The town centre is currently undergoing significant expansion and rejuvenation.

The Property is situated in the heart of Croydon Town Centre, and is a short distance between the East and West Croydon Railway Stations. It enjoys excellent public transport connectivity with the Tramlink and subway links nearby.

The Property is acquired for recurrent income until the lease expires in June 2023. This site is designated in the London Borough of Croydon Local Plan as an area of high density. As the site is significantly large at 19,100 square metres, it offers the opportunity for a major refurbishment/redevelopment scheme to maximise the current under-developed site.

Chairman and Chief Executive Officer of Ho Bee Land, Mr. Chua Thian Poh said, "This is Ho Bee's third major office acquisition this year and its sixth office building in London. The acquisition increases our investments in U.K. to about £600 million in the last three years and reflects our confidence in the London's commercial market."

Mr Chua added, "This acquisition is unique as it offers us recurrent income till 2023. In the interim, it allows us ample time to plan and maximise the development potential of the site."

The purchase of the Property will be financed by internal funds and bank borrowings and is not expected to have any material impact on the consolidated earnings per share and net tangible assets per share of the HBL Group for the financial year ending 31 December 2015.

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### **About Ho Bee Land Limited**

***Ho Bee Land Limited*** was listed on the Mainboard of the Singapore Exchange in 1999. Headquartered in Singapore, Ho Bee also has property investments and developments in Australia, China and United Kingdom. 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.

In Singapore, apart from being the leading developer of luxury homes in the exclusive residential enclave of Sentosa Cove, its portfolio of investment properties includes the new commercial landmark in the one-north precinct, The Metropolis. Other buildings in its portfolio of investment properties include 1 St Martin's Le Grand, Rose Court, 60 St Martin's Lane, 39 Victoria Street and 110 Park Street in London.

More information about the company can be found on the company's website at [www.hobee.com](http://www.hobee.com).

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