



HO BEE GROUP HO BEE INVESTMENT LTD (Co. Regn. No. 198702381M)

PRESS RELEASE - ACQUISITION OF PROPERTY IN SHANGHAI, CHINA

Ho Bee Investment Ltd ("HBI") is pleased to announce the Group's acquisition of 68 units of luxury apartments together with car parking lots, in the development known as Edifice or "Chang Yuan" from Summit Property Development Company, a top developer in Shanghai. This development, with a total of 576 units is strategically located at the junction of Jiang Su Road and Yu Yuan Road, next to Jiangsu Road Mass Rapid Train Station and is surrounded by well-established educational institutions such as Ladies School of the Virgin Mary, Changning International School and Communications University.

The 68 apartments have a total floor area of 10,151 sq m. It comprises a mixture of 2, 3 & 4 bedrooms with unit sizes ranging from 123 sq m for a 2-bedroom unit to 226 sq m for a 4-bedroom unit. Total consideration for the purchase amounted to RMB126,917,552 (approximately S\$28 million) after deducting a bulk discount of 8% from the developers listed price for the apartment units. CB Richard Ellis was commissioned to produce a valuation report to ensure that the purchase price reflects the fair market value of the subject property, taking into account among others, recent transactions of similar properties around the vicinity.

This acquisition is made through HBI's wholly owned subsidiary, Ho Bee (Pasir Ris) Pte Ltd. 20% of the purchase price has just been paid with the balance due progressively until completion, which is expected in mid-2003. The property is intended to be held for sale.

The above acquisition will be financed by the Group's internal funds and bank borrowings and is not expected to have any material impact on the Group's consolidated earnings and net tangible assets per share of HBI in the current financial year.

None of the directors or substantial shareholders of HBI has any direct or indirect interests in the above transaction.

Submitted by Desmond Woon, Executive Director on 20/05/2002 to the SGX