



ACQUISITION OF RESIDENTIAL SITE – ELMIRA HEIGHTS, 5 & 7 NEWTON ROAD, SINGAPORE

Ho Bee Investment Limited ("HBI") is pleased to announce that the offer by its wholly-owned subsidiary, Pacific Rover Pte Ltd ("the Company") for all the strata units together with all the common property of the development at Elmira Heights at No. 5 & 7 Newton Road (the 'Property') has been accepted by the majority of the subsidiary proprietors (the "Majority Owners") holding not less than 80% of the share values of the strata lots of the Property. The en-bloc purchase price for the Property is S\$279 million.

The freehold Property, with a total land area of 108,550 square feet and an allowable plot ratio of 2.8, sits on high elevated grounds in the Newton area. The Property is a few minutes walk from the Newton MRT Station and is also easily accessible via Scotts Road, Dunearn Road and Newton Road. The Orchard Road shopping belt is only a short drive away.

The Company intends to re-develop the site into two 30-storey towers comprising of about 170 luxurious apartments with sizes ranging from about 1,800 square feet onwards, complete with full condominium facilities. With an estimated development charge of about \$22 million, the purchase price for the Property works out to be approximately \$990 psf per plot ratio. The purchase price for the Property was arrived at after taking into account various commercial factors including the development potential, location of the Property and the recent transacted prices for properties in the vicinity.

The sale of the Property is subject to the approval of the Strata Titles Board (the "Board") and the Company obtaining the qualifying certificate under the provisions of the Residential Property Act.

5% of the purchase price will be paid to the solicitors for the Majority Owners (the "Vendors' Solicitors") by 8th May 2007 and will be held by the Vendors' Solicitors as stakeholders pending completion.

The next 5% of the purchase price will be paid upon obtaining the order from the Board approving the sale or upon receiving a written notice from the Majority Owners that all subsidiary proprietors have agreed to the sale of the Property. The balance 90% of the purchase price will be paid upon completion of the purchase, which is scheduled (i) 3 months after the date of the approval by the Board or (ii) 3 months after the Company's receipt of a written notice from the Majority Owners that all subsidiary proprietors have agreed to the sale of the Property.

The acquisition and development cost of the Property will be financed by internal funds and/or bank borrowings. The transaction is not expected to have any material effect on the consolidated earnings and net tangible assets per share of HBI for the financial year ending 31 December 2007.

None of the directors or controlling shareholders of HBI has any direct or indirect interests in the above transaction other than through their shareholdings, if any, in HBI.

On behalf of the Board

Desmond Woon
Executive Director
19 April 2007