



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

PRESS RELEASE - INVESTMENT IN CHINA PROPERTY MARKET

Ho Bee Investment Ltd ("HBI") is pleased to announce that its 70%-owned subsidiary, HBS Investments Pte Ltd ("HBS") has entered into a Shareholders' Agreement with three other Hong Kong parties, Shun Hing China Investment Limited, Time Glory Investments Limited and Allied Goal Holdings Limited ("AGH"), to acquire real estate projects, companies and investments in the People's Republic of China through Chongbang Development Limited ("CD"), a company incorporated in Hong Kong in which HBS will subscribe for 20% of its issued share capital of 100 shares of HK\$1 each.

CD will be spearheaded by Mr. Henry Cheng, who is a director of AGH and has an indirect shareholding interest in this company. Mr. Cheng has had more than 12 years of investment and development experience in Shanghai. One of Mr. Cheng's most successful high profile projects in Shanghai is known as 'Xintiandi', a very vibrant tourist attraction created through the conservation of historical residential houses for adaptive re-use into entertainment, dining and retail outlets. CD will be tapping on Mr. Cheng's experience and focusing on similar niche commercial/entertainment/residential development opportunities.

The anticipated working capital requirement of CD is between US\$30 million and US\$36 million and will be financed by loans from shareholders. HBS's share in this investment is between US\$6 million and US\$7.2 million and will be financed by the Group's internal funds. This investment 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 02/05/2003 to the SGX