

F J BENJAMIN HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Number: 197301125N)

PROPOSED PLACEMENT OF AN AGGREGATE OF 120,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.025 FOR EACH PLACEMENT SHARE

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or "**Directors**") of F J Benjamin Holdings Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 21 December 2021, entered into a conditional placement agreement (the "**Placement Agreement**") with Western Properties Pte Ltd (the "**Placee**"), pursuant to which the Placee agreed to subscribe for, and the Company agreed to allot and issue to the Placee, an aggregate of 120,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.025 for each Placement Share (the "**Issue Price**") for an aggregate Issue Price of S\$3,000,000 (the "**Aggregate Issue Price**"), on the terms and subject to the conditions of the Placement Agreement (the "**Share Placement**").
- 1.2. No placement agent has been appointed in respect of the Share Placement.
- 1.3. The Placement Shares represent approximately 11.24% of the Existing Share Capital¹ as at the date of this announcement. Following the successful allotment and issue of the Placement Shares (and assuming no further allotment and issue of new ordinary shares in the capital of the Company), the Placement Shares will represent approximately 10.11% of the Enlarged Share Capital².
- 1.4. As at the date of this announcement, the Placee is a substantial shareholder of the Company and holds 78,540,000 Shares, representing approximately 7.36% of the Existing Share Capital. Upon completion of the Share Placement ("**Completion**"), the Placee will hold approximately 16.72% of the Enlarged Share Capital. Mr Ng Chee Tat Philip ("**Mr Ng**") is deemed interested in the Shares which the Placee has an interest as he has a controlling interest in the Placee. As at the date of this announcement, Mr Ng has a total interest (being deemed interest) of 7.45% in the Company, including his deemed interest in the Shares which the Placee has an interest. Accordingly, Mr Ng's total interest (being deemed interest) in the Company will increase to approximately 16.80% of the Enlarged Share Capital after Completion.
- 1.5. The Placement Shares will be issued under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"). As such, no prospectus, offer document, or offer information statement will be lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore in connection with the Share Placement.

¹ "**Existing Share Capital**" means the existing issued and paid-up share capital of the Company of 1,067,313,903 shares in the capital of the Company ("**Shares**") as at the date of this announcement. The Company has no treasury shares or subsidiary holdings or outstanding convertibles.

² "**Enlarged Share Capital**" means the enlarged issued and paid-up share capital of the Company of 1,187,313,903 Shares immediately after Completion, comprising the Existing Share Capital and the Placement Shares.

2. THE SHARE PLACEMENT AND SALIENT TERMS OF THE PLACEMENT AGREEMENT

2.1. The Placement Shares

In connection with the Share Placement, the Company will seek specific approval from shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting of the Company (“**EGM**”) to be convened for the following:

- (a) the allotment and issue of the Placement Shares pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), and Rule 805(1) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”);
- (b) the allotment and issue of the Placement Shares to the Placee pursuant to Rule 812 of the Catalist Rules; and
- (c) the transfer of controlling interest to the Placee arising from the Share Placement pursuant to Rule 803 of the Catalist Rules (“**Transfer of Controlling Interest**”).

Please refer to paragraph 7 below for more details on the Shareholders’ approval to be sought at the EGM.

The Placee and its associates (as defined in the Catalist Rules) will be required to abstain from voting on the resolutions at the EGM approving the allotment and issue of the Placement Shares to the Placee, in accordance with Rule 812(2) of the Catalist Rules.

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, including without limitation, any dividend, right, allotment or other distributions, the record date for which falls on or after the Completion Date (as defined below).

There is no moratorium imposed on the Placement Shares.

Further information on the Share Placement will be provided in a circular to Shareholders (the “**Circular**”) to be issued in due course.

2.2. Issue Price

The Issue Price of S\$0.025 represents a premium of approximately 19.05% to the volume-weighted average price of S\$0.021 per Share, based on the trades done on the SGX-ST on 21 December 2021, being the last full market day on which the Placement Agreement is signed.

The Issue Price was commercially agreed between the Company and the Placee on a willing-buyer, willing-seller basis after arm’s length negotiations, and taking into account historical trading performance of the Company and prevailing market conditions.

2.3. Conditions Precedent

The Completion is conditional upon:

- (a) the Company having obtained all corporate and Shareholders’ approvals in respect of the allotment, issue and subscription of the Placement Shares, the transfer of controlling interest in the Company as a result thereto, and all the transactions ancillary to or contemplated thereto and such approvals remaining in full force and effect on Completion and, if such approvals are subject to any conditions which are required to be fulfilled on or prior to the Completion Date, they are so fulfilled;
- (b) the receipt of a listing and quotation notice from the SGX-ST for the admission to, quotation for and dealing of the Placement Shares on the Catalist Board of the SGX-ST, and where such listing and quotation notice is subject to conditions, such conditions being

acceptable to the Company and the Placee; and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled;

- (c) the Company having obtained all consents, approvals and authorisations from third parties (including financial institutions) and governmental body or authority (including but not limited to the SGX-ST) required for or in connection with the execution of the Placement Agreement;
- (d) the Share Placement and the allotment, issue and placement of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive or request (whether or not having the force of law) promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority in Singapore, including the SGX-ST; and
- (e) the Company complying with the provisions of the Companies Act, the SFA and the Catalist Rules in respect of the Share Placement.

2.4. Completion

Subject to the terms and conditions of the Placement Agreement and in particular, the fulfilment of the conditions stipulated in paragraph 2.3 above, Completion shall take place on the date which the Company, giving at least five (5) business days' written notice to the Placee, stipulates as the date for the Completion, or such other date as the parties may agree in writing (the "**Completion Date**").

The Placee shall pay the Aggregate Issue Price for the Placement Shares in the manner provided for in the Placement Agreement, contemporaneously upon which the Company shall allot and issue to the Placee the Placement Shares.

If any of the conditions set forth in paragraph 2.3 above is not satisfied within five (5) months from the date of the Placement Agreement or such other date as the parties to the Placement Agreement may agree in writing, the Placement Agreement shall *ipso facto* cease and determine thereafter and none of the parties to the Placement Agreement shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

2.5. Listing and Quotation Notice

The Company undertakes, *inter alia*, to the Placee that, it shall, after the date of the Placement Agreement, make an application to the SGX-ST for the issue of a listing and quotation notice for the admission to, quotation for and dealing of the Placement Shares on the Catalist Board of the SGX-ST (the "**Listing and Quotation Notice**") and shall execute all such documents and do all such acts and things as may be necessary or advisable for such purposes (without making any warranty or representation that such application shall be successful).

The Company will submit the application for the Listing and Quotation Notice through its continuing sponsor (the "**Sponsor**"), ZICO Capital Pte. Ltd., and will make the necessary announcement upon receipt of the approval from the SGX-ST of the Listing and Quotation Notice.

3. **DETAILS OF THE PLACEE**

- 3.1. The Placee is a company incorporated in the Republic of Singapore and carries on the business of property development and investment with its registered address at 14 Scotts Road #06-01 Far East Plaza, Singapore 228213. The Placee is a member of the Far East Organization group of companies ("**FEO**") which owns and operates retail space and malls across Singapore.
- 3.2. Mr Ng has a controlling interest in the Placee and is therefore deemed to be interested in the Shares of the Company in which the Placee has an interest.
- 3.3. The Placee has confirmed to the Company, *inter alia*, that:

- (a) Mr Ng is the sole shareholder of the Placee;
 - (b) subject to the disclosures in (a) and the Placement Agreement, the directors and shareholders of the Placee are not related to any of the Directors or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act);
 - (c) subject to the disclosures in (a) and the Placement Agreement, it is not acting in concert with and/or in accordance with the instructions of any Director(s) and/or substantial Shareholders of the Company (as defined in Section 81 of the Companies Act);
 - (d) it is not subscribing for the Placement Shares as an agent for or otherwise on behalf of any other persons or entity and is subscribing for the Placement Shares solely for its own beneficial account and not with a view to another person acquiring an investment (as defined in Section 4(1) of the SFA) in the Placement Shares;
 - (e) the subscription of the Placement Shares or its part thereof by it will not trigger the requirement under Rule 14 of The Singapore Code on Mergers and Takeovers for it and/or any parties acting in concert with it to make a mandatory general offer to acquire all the issued Shares; and
 - (f) it is not subscribing for the Placement Shares with a view of such Placement Shares being subsequently offered for sale to another person.
- 3.4. The Placee has been an existing Shareholder for many years and had subscribed for new Shares pursuant to the exercise of warrants of the Company in year 2021, which made the Placee an existing substantial Shareholder with an interest in approximately 7.36% of the Existing Share Capital. The Placee decided to increase its shareholding in the Company after discussions between the parties. No introducer fee or commission is paid or payable by the Company in connection with the Share Placement.
- 3.5. The Company confirms that none of its Directors has, to the best of their knowledge, any relationships/connections (including business relationships) with the Placee or the Placee's directors or the Placee's substantial shareholders, save for the Placee's shareholding interests in the Company. The Company confirms that, save for Mr Ng who has a controlling interest in the Placee, to the best of its knowledge, none of its substantial Shareholders has any relationships/connections (including business relationships) with the Placee or the Placee's directors or the Placee's substantial shareholders, save for the Placee's shareholding interests in the Company.

4. RATIONALE FOR THE SHARE PLACEMENT AND USE OF PROCEEDS

4.1. Rationale for the Share Placement

The purpose of this Share Placement is to provide additional working capital for the Group as it explores expansion opportunities as regional economies recover from Covid-19. FJB will also explore strategic opportunities to collaborate with the Far East Organization for new businesses as well as within its present brand portfolio.

4.2. Use of Proceeds

The estimated net proceeds to be raised from the Share Placement, if and when completed, after deducting estimated fees and expenses to be incurred in connection with the Share Placement (including listing and application fees, professional fees and other miscellaneous expenses of approximately S\$78,000), is approximately S\$2,922,000 (the "**Net Proceeds**").

The Company intends to use the Net Proceeds in the manner set out below:

Use of Net Proceeds	Amount (S\$'000)	As a percentage of Net Proceeds
General working capital of the Group	2,922	100%
Total	2,922	100%

Pursuant to Rule 704(30) and Rule 1204(22) of the Catalist Rules, the Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements announcements and the annual reports of the Company. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

5. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration:

- (a) the Group's present bank facilities, internal resources and operating cashflows, the working capital available to the Group is sufficient to meet its present requirements, and the Share Placement is being undertaken for purposes set out in paragraph 4.1 above; and
- (b) the Group's present bank facilities, internal resources and operating cashflows, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. FINANCIAL EFFECTS OF THE SHARE PLACEMENT

6.1. Illustrative Nature of Financial Effects

The financial effects of the Share Placement on the Company's share capital, net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") of the Group have been prepared based on the Group's audited consolidated financial statements for the financial year ended 30 June 2021 ("**FY2021**").

The financial effects of the Share Placement are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the Completion. The financial effects are prepared on the assumption that the expenses to be incurred in connection with the Share Placement amounts to approximately S\$78,000.

6.2. Share Capital

	Before the Share Placement	After the Share Placement
Number of Shares (excluding treasury shares)	1,067,313,903	1,187,313,903
Share capital (S\$'000)	183,229	186,151

6.3. NTA per Share

Assuming that the Share Placement had been effected on 30 June 2021 (being the end of the most recently completed FY2021), the effects of the Share Placement on the NTA per Share of the Group would be as follows:

As at 30 June 2021	Before the Share Placement	After the Share Placement
NTA (S\$'000)	33,266	36,188
Number of Shares	1,067,313,903	1,187,313,903
NTA per Share (Singapore cents)	3.12	3.05

6.4. LPS

Assuming that the Share Placement had been effected on 1 July 2020 (being the beginning of the most recently completed FY2021), the effects of the Share Placement on the LPS of the Group would be as follows:

FY2021	Before the Share Placement	After the Share Placement
Loss attributable to Shareholders (S\$'000)	10,871	10,871
Weighted average number of Shares	952,026,701	1,072,026,701
LPS (Singapore cents)	1.14	1.01

7. SHAREHOLDERS' APPROVAL UNDER CHAPTER 8 OF THE CATALIST RULES

7.1. Placement to Substantial Shareholder

The allotment and issue of the Placement Shares to the Placee requires the approval of Shareholders under Rule 805(1) of the Catalist Rules as the Placement Shares will not be issued under the Company's general share issue mandate pursuant to Rule 806 of the Catalist Rules.

As at the date of this announcement, the Placee is a substantial Shareholder of the Company and, pursuant to Rule 812(1) of the Catalist Rules, an issue must not be placed to, *inter alia*, substantial shareholders of the issuer. Rule 812(2) of the Catalist Rules provides that Rule 812(1) of the Catalist Rules does not apply if specific shareholder approval is obtained, and the substantial shareholder and its associates must abstain from voting on the resolution in respect of such placement. As the Placee falls within the restrictions of Rule 812(1) of the Catalist Rules,

specific Shareholders' approval will be required to be obtained for the allotment and issue of the Placement Shares to the Placee in connection with the Share Placement. In addition, the Placee and its associates will abstain from voting in its capacity as a Shareholder in relation to the Share Placement.

The Company will convene an EGM in due course to seek the approval from Shareholders for the Share Placement and specific Shareholders' approval will also be sought for the allotment and issue of the Placement Shares to the Placee in accordance with Rule 812(1) of the Catalist Rules.

7.2. Transfer of Controlling Interest

The allotment and issue of the Placement Shares to the Placee requires the approval of the Shareholders under Rule 803 of the Catalist Rules as the Share Placement will result in the Transfer of Controlling Interest to the Placee. Under the Catalist Rules, a controlling shareholder is a person who directly or indirectly holds 15% or more of the nominal amount of all voting shares in the Company, or a person who in fact exercises control over the Company.

As at the date of this announcement, the Share Placement would increase the Placee's shareholding ownership in the Company to approximately 16.72%, and Mr Ng's total interest (being deemed interest) in the Company to approximately 16.80%, on Completion Day. Accordingly, the Share Placement would constitute a transfer of a controlling interest in the Company and is subject to the approval of the Shareholders for the purposes of Rule 803 of the Catalist Rules.

The Company will convene an EGM in due course to seek the approval from Shareholders for the Transfer of Controlling Interest in the Company in accordance with Rule 803 of the Catalist Rules.

7.3. Issue of Circular

The Circular containing, *inter alia*, further information on the Share Placement and the notice to convene the EGM will be issued electronically in accordance with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 by the Company to Shareholders in due course.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or, as far as the Directors are aware, the substantial Shareholders of the Company or their respective associates, have any interest, direct or indirect, in the Share Placement.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection during normal business hours at the registered office of the Company at 1 Jalan Kilang Timor, #07-01/02 Pacific Tech Centre, Singapore 159303, for a period of three (3) months commencing from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 pandemic, please contact the Company at (65) 6737 0155 prior to making any visits to arrange for a suitable time slot for the inspection.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution in trading their Shares. The Share Placement contemplated under and in connection with the Placement Agreement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Share Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Where in any doubt as to the action they should take, Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, financial, tax, legal or other professional advisers.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD OF

F J Benjamin Holdings Ltd

Frank Benjamin
Non-Executive Chairman

21 December 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "Sponsor"), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.