

## DISPOSAL OF PROPERTY AT 6B ORANGE GROVE ROAD

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### 1. Introduction

Further to the announcement released on 29 September 2006, the Board of Directors of F J Benjamin Holdings Ltd (the "**Company**") wishes to announce that it has on 9 October 2006 entered into a Sale and Purchase Agreement (the "**Agreement**") with Como House Pte. Ltd. (the "**Purchaser**") and Reef Holdings Pte Ltd (the "**Guarantor**") for the sale of its property at 6B Orange Grove Road, Singapore 258332 (the "**Property**") for a consideration amount (the "**Consideration**") of S\$37,000,000 in cash (the "**Disposal**"). Pursuant to the terms of the Agreement, the Guarantor agrees to guarantee, *inter alia*, the due performance by the Purchaser of all its covenants and obligations under the Agreement.

### 2. Rationale

The proposed disposal of the Property is in line with the Company's stated intention to divest the Property and use the proceeds to reduce bank borrowings and as working capital for expansion of its businesses.

### 3. Principal Terms of Disposal

Legal completion of the Disposal is scheduled to take place eight (8) weeks from the date of the Agreement or within two (2) weeks from the date the Company receives shareholders' approval to the Disposal, if required, whichever is the later.

The Disposal is conditional, *inter alia*, upon (a) satisfactory replies to the usual legal requisitions which is a common condition precedent in property transactions of this nature and (b) the Company having obtained the approval of its shareholders in a general meeting for the Disposal or a dispensation having been obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the obtaining of such approval as the Disposal is deemed to be a "major transaction" under Rule 1006 of the Listing Manual of the SGX-ST ("**Listing Manual**"). In this regard, the Company has written to the SGX-ST to seek a waiver from the requirement to seek shareholders' approval for the Disposal under Rule 1014 of the Listing Manual. If the waiver is not granted, the Company shall convene an extraordinary general meeting to seek shareholders' approval for the Disposal.

### 4. Financial Effects

The Consideration was arrived at on a willing-buyer-willing-seller basis. The Consideration represents a premium of 23.3% to a desktop valuation report commissioned by the Company which valued the Property at S\$30,000,000 as at 19 May 2006 (the "**Valuation**"). The excess of the proceeds from the Disposal over the book value of the Property of S\$30,818,000 (as at 30 June 2006) is S\$6,182,000.

The Disposal will result in an estimated net gain on disposal of approximately S\$5,600,000 for the current financial year ending 30 June 2007.

For illustrative purposes only, based on the latest announced audited consolidated financial statements of the Group for the year ended 30 June 2006,

- (a) assuming that the Disposal had been effected at the end of the Group's financial year ended 30 June 2006, the net tangible assets per share of the Group as at 30 June 2006 would have increased from 30.53 cents to 32.32 cents; and
- (b) assuming that the Disposal had been effected at the beginning of the Group's financial year ended 30 June 2006 (that is, on 1 July 2005), the earnings per share of the Group for the financial year ended 30 June 2006 (excluding the gain on disposal of 1.95 cents per share) would have decreased from 3.53 cents to 3.34 cents.

## **5. Relative figures as set out in Rule 1006 of the Listing Manual**

The relative figures as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

- (a) Net asset value of assets to be disposed of, compared with the group's net asset value (Rule 1006(a))

The net asset value (or net book value) of the Property as at 30 June 2006 (being the date of the latest announced audited consolidated accounts of the Group) was approximately S\$30,818,000. The Group's audited net asset value as at 30 June 2006 was approximately S\$95,716,000. The ratio of the net asset value of the Property to the net asset value of the Group is approximately 32.2%.

- (b) Operating profit before income tax attributable to the assets disposed of, compared with the group's operating profit before income tax (Rule 1006(b))

This test is not applicable in the case of the Disposal as the Property is a non-core asset and is not income-producing.

- (c) Aggregate value of the consideration received compared with the group's market capitalisation (Rule 1006(c))

The market capitalisation of the Group as at 6 October 2006 is approximately S\$186,535,000. The ratio of the Consideration to the market capitalisation of the Group is approximately 19.84%.

- (d) Number of equity securities issued by the group as consideration for an acquisition, compared with the number of equity securities previously issued (Rule 1006(d))

This test is not applicable to the Disposal.

The Disposal is therefore deemed to be a "major transaction" for the purpose of Rule 1006 of the Listing Manual.

## **6. Interests of Directors and Substantial Shareholders**

None of the Directors or the controlling shareholders of the Company has any interest or are deemed to be interested in the Disposal.

**7. Documents available for Inspection**

A copy of the Agreement and the valuation report for the Property is available for inspection during normal business hours at the Company's registered office at 6B Orange Grove Singapore 258332 for three (3) months from the date of this Announcement.

By Order of the Board  
Karen Chong Mee Keng  
Dilhan Pillay Sandrasegara  
Joint Company Secretaries on 10 October 2006 to the SGX-ST