

F J Benjamin Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration No. 197301125N

ANNOUNCEMENT

PROPOSED DISPOSAL

1. Introduction

The Board of Directors of FJ Benjamin Holdings Ltd (the "**Company**") wishes to announce that its 48% held associated company FJD Pte. Ltd. ("**FJD**") together with EK Capital Pte. Ltd. ("**EK**") and Breadtalk Pte Ltd ("**Breadtalk**"), as vendors (collectively, the "**Vendors**"), had on 16 September 2007 entered into a conditional sale and purchase agreement (the "**Agreement**") with JK Technology Group Limited (a company listed on the official list of the Singapore Exchange Dealing and Automated Quotation System), as purchaser (the "**Purchaser**"), for the sale of the entire issued and paid-up share capital of The St James Pte. Ltd. ("**St James**") (the "**Proposed Disposal**").

2. Details of the Proposed Disposal

2.1 Consideration and Profit Guarantee

The purchase consideration in respect of the Proposed Disposal shall be up to S\$108.0 million (the "**Consideration**") which shall be fully satisfied by the allotment and issue, credited as fully paid-up, of new ordinary shares of the Purchaser (the "**Consideration Shares**") to the Vendors, at an issue price of S\$0.1755 per Consideration Share (the "**Issue Price**").

The Consideration and the Issue Price were determined on a willing buyer and willing seller basis and after arms' length negotiations between the Purchaser and the Vendors, taking into consideration the Profit Guarantee (as defined below) and the future prospects of St James.

The Vendors have provided a guarantee to the Purchaser that the aggregate audited consolidated net profit after tax of St James for the financial years ending 2008 and 2009 (the "**Cumulative Aggregate NPAT**") shall not be less than S\$16,000,000 (the "**Profit Guarantee**").

The number of Consideration Shares to be allotted and issued by the Purchaser to the Vendors in payment of the Consideration at the Issue Price shall be up to an aggregate of 615,384,614 Consideration Shares, depending on the Cumulative Aggregate NPAT achieved.

In the event the Cumulative Aggregate NPAT is negative, the Vendors shall reimburse the Purchaser in cash the amount of such negative value within seven business days from the issue of the audited financial statements of St James for the financial year ending 30 June 2009, or such other longer period as the majority of the independent directors of the Purchaser may in its absolute discretion agree, in accordance with their pro-rata shareholding percentage in St James.

2.2 New Board

In connection with the Proposed Disposal, the Purchaser will apply for a transfer to the proposed sponsor-supervised board (the "**New Board**") to be established by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), when the New Board becomes operational.

2.3 Approval of Purchaser's shareholders

In respect of the Purchaser, as the relative figures under Rules 1006 (c) and (d) of the SGX-ST Listing Manual ("**Listing Manual**") exceed 100%, the Proposed Disposal is considered a "Very Substantial Acquisition or Reverse Takeover" as defined in Chapter 10 of the Listing Manual. Following the Purchaser's transfer to the New Board, the Purchaser will be required to comply with the requirements of the New Board that are applicable to a very substantial acquisition or reverse takeover. Accordingly, the completion of the Proposed Disposal ("**Completion**") shall be conditional upon, *inter alia*, the approval of the Purchaser's shareholders at a general meeting and the approval of the SGX-ST (or such relevant regulatory authority, as the case may be) being obtained.

2.4 Long-Stop Date

If any one of the conditions precedent set out in the Agreement is not fulfilled or waived such that Completion does not take place, or if for any reason Completion does not take place, on or before 30 June 2008 or 120 days after the launch of the New Board, whichever date shall be the earlier (the "**Long Stop Date**"), or such other later date as the Vendors may in their absolute discretion determine, the Agreement shall *ipso facto* cease and determine. If Completion does not take place by the Long Stop Date, the Purchaser and the Vendors will endeavour on a goodwill basis to proceed with the transactions contemplated in the Agreement with a view to seeking a listing of the shares of St James on an appropriate securities exchange.

2.5 Convertible Loan

The Vendors shall, at the written request of the Company, lend the Company without charging interest thereon a sum not exceeding S\$900,000 in aggregate (the "**Convertible Loan**") which shall be advanced in two tranches for the sole purpose of enabling the Company to meet the expenses incurred for the transactions contemplated in the Agreement. If Completion does not take place by the Long Stop Date, the Purchaser is obliged to repay 25% of the Convertible Loan outstanding to the Vendors by the issue of shares in the Purchaser or in cash, or by a combination of both as may be determined by the Purchaser within 30 business days after the Long Stop Date, or such other longer period as the parties may agree in writing.

2.6 Moratorium

Each Vendor has undertaken to comply with any applicable moratorium requirements imposed by the SGX-ST in respect of any Consideration Shares allotted and issued to that Vendor on Completion unless such applicable moratorium requirements have been reduced or lifted by the SGX-ST.

3. Information on St James

St James is an associated company of the Company. The shares of St James are currently held by FJD (holding 63.3% of the issued share capital of St James), EK (holding 31.7% of the issued share capital of St James) and Breadtalk (holding 5% of the issued share capital of St James). The shareholders of FJD are FJ Benjamin Concepts Pte Ltd ("**Concepts**") and Dennon Entertainment Pte Ltd, holding 48% and 52% respectively of the issued share capital of FJD. Concepts is a wholly-owned subsidiary of the Company.

Prior to the Proposed Disposal, the Company has an indirect interest of approximately 30.4% of the issued share capital of St James. The unaudited net tangible asset value per share of St James as at 30 June 2007 is S\$1.25. Following the completion of the Proposed Disposal, the Company's interest in St James shall be reduced from approximately 30.4% to approximately 25.2%.

None of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Proposed Disposal exceeds 5%. Accordingly, the Proposed Disposal constitutes a non-discloseable transaction under the provisions of Rule 1008 of the Listing Manual and does not require shareholders' approval.

4. Interests of Directors and Substantial Shareholders

None of the directors or substantial shareholders of the Company has an interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Karen Chong Mee Keng
Dilhan Pillay Sandrasegara
Joint Company Secretaries on 17 September 2007 to the SGX