

**F J BENJAMIN HOLDINGS LTD**  
(Company Registration No.: 197301125N)  
(Incorporated in Singapore)  
(the “**Company**”)

---

**DISPOSAL OF BUSINESS TOGETHER WITH THE ASSETS OF NOOTREES PTE. LTD.**

---

**1. INTRODUCTION**

- 1.1. The Board of Directors (the “**Board**”) of F J Benjamin Holdings Ltd (the “**Company**”) wishes to announce that its indirect wholly-owned subsidiary, NooTrees Pte. Ltd. (“**NooTrees**”) has entered into an asset purchase agreement (“**APA**”) on 31<sup>st</sup> March 2017 with Lam Soon Singapore Pte. Ltd. (the “**Purchaser**”) in relation to a sale of the business together with the assets of NooTrees (the “**Disposal**”).
- 1.2. Completion of the Disposal occurred on 31<sup>st</sup> March 2017 (the “**Completion Date**”) simultaneously with the execution of the APA.
- 1.3. As the relative figure computed under Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) exceeds 5% but is less than 20%, the Disposal is considered a discloseable transaction under Chapter 10 of the Listing Manual. Please see paragraph 7 below for further details on the computation of the relative figures under Rule 1006 of the Listing Manual.

**2. THE DISPOSAL**

**2.1. Information on NooTrees and the Purchaser**

NooTrees is a wholly-owned indirect subsidiary of the Company and was incorporated in the Republic of Singapore. The principal business of NooTrees relate to the sourcing, designing, importing, selling and distributing sustainable consumer products, including tissue paper, wet wipes and baby wipes under the “NooTrees” and “Bum Bams” brands in Singapore and in the United States of America (“**U.S.**”) (“**Business**”).

The Purchaser is a company incorporated in the Republic of Singapore. The principal businesses of the Purchaser relate to the distribution of *inter alia*, cooking oil, bio-home cleaning products and food and beverage products in Singapore.

**2.2. Salient Terms of the APA**

- 2.2.1. NooTrees sold with full title guarantee, and the Purchaser, with a view to carrying on the Business as a going concern, purchased free from all encumbrances and with effect from the Completion Date, the following assets (collectively, the “**Assets**”):
- (a) the customer database owned by NooTrees for the purpose of providing products and services to corporate customers, whether in Singapore or the U.S.;
  - (b) intellectual property rights associated with or relating to the Business;
  - (c) the obligations and benefits of existing third party contracts;

- (d) the stock-in-trade in Singapore and the U.S of the Business (which includes the products);
- (e) information and records relating to the Business; and
- (f) all rights of NooTrees against third parties arising out of or in connection with the assets, goodwill or the conduct of the Business prior to completion (including, but not limited to, all rights under or in respect of manufacturer's or supplier's warranties, guarantees and other contractual obligations and assurances (express or implied)) (if any).

2.2.2. NooTrees and the Purchaser agree that the APA would constitute a relevant transfer of the employees of NooTrees who fall within the scope of the Employment Act (Chapter 91) of Singapore and it will not operate so as to terminate the contracts of employment with any such employees. Such contracts of employment shall be transferred to the Purchaser with effect from the Completion Date.

### 2.3. **Consideration**

2.3.1. Under the terms of the APA, in consideration for the transfer by NooTrees to the Purchaser of the Assets, the Purchaser shall pay to NooTrees, a total consideration of approximately S\$2,200,000 (the "**Total Consideration**"), which shall be paid by way of cheque/ cashier's order as follows:

- (a) the first payment of S\$2,000,000, which was paid on the Completion Date; and
- (b) the balance payment of S\$200,000, payable 90 days after the Completion Date, subject to the fulfilment of certain conditions by NooTrees.

2.3.2. The Total Consideration was arrived at after arm's length negotiations on a willing-buyer and willing-seller basis after taking into account, *inter alia*, the losses incurred, the current financial position and the future prospects of the Business.

## 3. **RATIONALE FOR THE DISPOSAL**

The Company is of the view that the most significant potential of the Business lies in the U.S. and it will require a bigger platform in that geographical territory than the Company and its subsidiaries (collectively, the "**Group**"), can provide to grow and expand effectively into that market.

Accordingly, the Group wishes to exit this loss-making Business, which is not a core asset of the Group nor currently, a strategic investment, to focus its resources and capital for allocation to its other core businesses. The Disposal presents an opportunity for the Group to realise a non-performing investment.

## 4. **BOOK VALUE AND GAIN ON DISPOSAL**

Based on the management accounts of NooTrees, as at 31 December 2016, the book value of the Assets being disposed of was approximately S\$282,000 and the gain on the Disposal is S\$1,794,000 after deducting expenses.

## 5. USE OF PROCEEDS

Assuming the Total Consideration is paid in full, the net proceeds on the Disposal (after deducting estimated miscellaneous and professional expenses) will be approximately S\$1,794,000. The Company intends that the net proceeds shall be used for working capital of the Group, improving its cash flow position.

## 6. FINANCIAL EFFECTS OF THE DISPOSAL

6.1. The *pro forma* financial effects of the Disposal are prepared based on the latest audited consolidated financial results of the Group for the financial year ended 30 June 2016 (“FY2016”), are set out below.

6.2. The *pro forma* financial effects are only for illustration and are not intended to reflect the actual or future financial situation of the Company or the Group after the Disposal. For computation purposes, it is assumed that the Total Consideration will be paid in full.

### 6.3. Net Tangible Assets

Assuming that the Disposal had been completed on 30 June 2016, the effect of the Disposal on the Net Tangible Assets (“NTA”) of the Group as at 30 June 2016 are as follows:

	Before Disposal	After Disposal
NTA (S\$'000)	61,497	63,291
NTA per share (cents) <sup>(1)</sup>	10.81	11.13

Note:

(1) NTA per share is calculated based on 568,709,857 ordinary shares of the Company in issue as at 30 June 2016.

### 6.4. Earnings Per Share

Assuming that the Disposal had been completed on 1 July 2015, the effect of the Disposal on the Earning Per Share (“EPS”) of the Group as at 30 June 2016 are as follows:

	Before Disposal	After Disposal
Earnings attributable to equity holders of the Company (S\$'000)	(22,959)	(21,165)
EPS (cents) <sup>(1)</sup>	(4.04)	(3.72)

Note:

(1) EPS is calculated based on the weighted average number of ordinary shares of the Company for FY2016.

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

7.1. Based on the unaudited consolidated financial results of the Group for the six (6) months ended 31 December 2016, the relative figures for the Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value	0.6 <sup>(1)</sup>
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	4.4 <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares, excluding treasury shares	7.2 <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

(1) Based on the unaudited net asset value of the assets associated with the Business as at 31 December 2016 of S\$282,000 and the Group's unaudited consolidated net asset value as at 31 December 2016 of S\$50,933,000.

(2) Based on the unaudited net loss before income tax, minority interest and extraordinary items attributable to the assets associated with the Business for the first half ended at 31 December 2016 of S\$467,000 and the Group's unaudited net loss before income tax, minority interest and extraordinary items for the first half ended at 31 December 2016 of S\$10,614,000.

(3) The Company's weighted average share price as at 30 March 2017 for the purpose of computing the relative figure is S\$ 0.054 (source: Bloomberg L.P.).

The market capitalisation of the Company is approximately S\$30,710,000, based on 568,709,857 ordinary shares of the Company in issue as at 30 March 2017.

7.2 Having regard to the above, the Disposal is a "Discloseable Transaction" under Rule 1010 of the Listing Manual.

7.3 However, as there are negative figures involved in the computation of the relative figure under Rule 1006(b), the Company had confirmed with the SGX-ST that the Company is not required to seek shareholders' approval for the Disposal.

## 8. NO SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposal, other than through their shareholdings in the Company.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the APA will be available for inspection during normal business hours at the Company's registered office at 10 Science Park Road, #04-01 The Alpha, Singapore Science Park II, Singapore 117684 for a period of three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD**

Karen Chong Mee Keng  
Company Secretary  
31 March 2017