

NOEL GIFTS INTERNATIONAL LTD
Company Registration No. 198303940Z
(Incorporated in Singapore)

**DISPOSAL OF SHARES IN FIRST BALMORAL DEVELOPMENT PTE LTD AND
TERMINATION OF JOINT VENTURE AGREEMENT WITH TIONG CHOON
HOLDINGS PTE LTD**

1. INTRODUCTION

The Board of Directors (the “Board”) of Noel Gifts International Ltd (the “Company”) and together with its subsidiaries (the “Group”) wishes to announce that the Company has entered into a sale and purchase agreement (“SPA”) with Tiong Choon Holdings Pte Ltd (the “Purchaser”) to sell the Company’s entire shareholding of 1,000,000 ordinary shares (the “Sale Shares”), representing 25% of the issued and paid up capital of First Balmoral Development Pte Ltd (“FBDPL”) (the “Disposal”).

The Board is pleased to announce that the Disposal has been completed on 3 October 2014. Following the Disposal, the Joint Venture Agreement with the Purchaser shall be terminated and FBDPL has ceased to be an associate of the Group.

2. INFORMATION ON FIRST BALMORAL DEVELOPMENT PTE LTD (“FBDPL”)

- a) On 5 June 1999, the Company entered into joint venture with the Purchaser for development of residential apartments for sale to the public through a joint venture company now known as FBDPL.
- b) FBDPL was incorporated on 22 May 1999 in Singapore and has, as the date of this announcement, total issued share capital of S\$4,000,000 comprising 4,000,000 issued and fully paid up ordinary shares.
- c) The Company owns 1,000,000 ordinary shares in FBDPL, with the Purchaser owning the remaining 3,000,000 ordinary shares.
- d) FBDPL currently has a portfolio of 13 units of freehold residential apartments at 1 Balmoral Crescent, Singapore.

3. CONSIDERATION FOR THE SALE SHARES

The Consideration for the Sale Shares of S\$3.4 million (the “Consideration”) in cash has been paid by the Purchaser to the Company on Completion.

The Consideration was arrived at on a willing buyer willing seller basis, after arm’s length negotiations, taking into account, inter alia, prevailing residential market in the vicinity of the property.

4. RATIONALE OF THE DISPOSAL AND USE OF PROCEEDS

The Board considers it an appropriate time to dispose of and unlock the value of its long-term investment in FBDPL, which is consistent with the intent of maximizing return to shareholders.

The Group intends to use the sale proceeds for:

- a) investment opportunities as and when they arise; and/or
- b) distribution to shareholders.

5. VALUE OF THE SALE SHARES

5.1 Book Value

Based on the unaudited consolidated financial statements of the Company and its subsidiaries (“**Group**”) for financial year ended 30 June 2014 (“**Group FY2014 Results**”), the book value of the Sale Shares is S\$1 million.

5.2 Asset Value

Based on the FBDPL’s audited financial statements for the year ended 31 December 2013 and unaudited management accounts for the six months ended 30 June 2014 (“**FBDPL FY2014 Results**”), the net asset value of the Sale Shares is approximately S\$1.793 million.

5.3 Excess of Consideration over Book Value

Based on the book value of the Sale Shares as set out in paragraph 5.1 above, the amount of excess of the Consideration over the said book value is approximately S\$2.4 million.

5.4 Net Profit and Profit on Disposal

- a) Based on FBDPL FY2014 Results, the net profits attributable to the Sale Shares is approximately S\$32,000.
- b) Based on the book value of the Sale Shares as set out in paragraph 5.1 above, the gain on Disposal is approximately S\$2.4 million.

6. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE LISTING MANUAL

6.1 Relative Figures

The relative figures for the Disposal computed on the relevant bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:

Rule 1006 (a)	The net asset value (“NAV”) of the Sale Shares (S\$’000) (A)	Group’s NAV (S\$’000) (B)	Relative Figures (A)/(B)
	1,793	33,040	5.43%

Rule 1006 (b)	Net profits attributable to the Sale Shares (S\$'000) (A)	Group's net profits (S\$'000) (B)	Relative Figures (A)/(B)
	32	1,717	1.86%

Rule 1006 (c)	Total consideration of transaction (S\$'000) (A)	Market capitalization at 2 October 2014 (S\$'000) (B)	Relative Figures (A)/(B)
	3,400	27,156	12.52%

Notes:

- (1) The NAV of the Sale Shares is based on the FBDPL FY2014 Results. The Group's NAV of S\$33,040,000 is as reported in the Group FY2014 Results.
- (2) Net profit is defined as profit before income tax, minority interests and extraordinary items.
- (3) The market capitalization has been calculated on the basis of 102,476,024 shares in issue and the weighted average price of S\$0.265 transacted on 30 September 2014, being the latest available market day where the shares were traded preceding the date of signing of the sale & purchase agreement.
- (4) Rules 1006 (d) and 1006 (e) are not applicable.

The Disposal is a discloseable transaction under the Listing Manual rules.

7. ILLUSTRATIVE FINANCIAL EFFECTS

The financial effects of the Disposal presented below are for illustration purposes only and do not reflect the actual financial results of the Group following the Completion of the Disposal.

The following financial effects have been prepared based on the unaudited consolidated financial statement of the Group for financial year ended 30 June 2014 ("Group FY2014 Results") for illustrating the financial effect on the consolidated net tangible assets per share and consolidated earnings per share of the Group.

(a) Net Tangible Assets ("NTA") – FY2014

For purely illustrative purposes only, assuming that the Disposal had been completed on 30 June 2014, being the end of the most recently completed financial year of the Group ended 30 June 2014 ("FY2014"), the effect of the Disposal on the NTA per Share for FY2014, based on the Group FY2014 Results, would be as follows:

	NTA (S\$'000)	NTA per share (Cents)
Before the Disposal	33,040	32.24
After the Disposal	34,647	33.81

NTA is calculated based on the number of shares in issue of 102,476,024 as at 30 June 2014.

(b) Earnings per share (“EPS”) – FY2014

For purely illustrative purposes only, assuming that the Disposal had been completed on 1 July 2013, being the beginning of FY2014, the effect of the Disposal on the EPS for FY2014, based on the Group FY2014 Results, would be as follows:

	Profit after tax (S\$'000)	EPS (Cents)
Before the Disposal	1,578	1.54
After the Disposal	3,943	3.85

EPS is calculated by dividing the net profit after tax attributable to shareholders by the weighted average number of shares in issue of 102,476,024 for financial year ended 30 June 2014.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for the shareholdings in the Company, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

9. INSPECTION OF DOCUMENTS

A copy of the SPA is available for inspection at the Company's registered office at 21 Ubi Road 1 #03-01, Singapore 408724 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Wong Siu Hong Alfred
Managing Director

3 October 2014