

NOVENA HOLDINGS LIMITED
(Company Registration No. 199307300M)
(Incorporated in Singapore)

PROPOSED SUBSCRIPTION OF 37,310,849 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY

INTRODUCTION

The Directors of Novena Holdings Limited (“**Novena**” or the “**Company**”) wish to announce that the Company has entered into two subscription agreements dated 21 January 2007 (the “**Subscription Agreements**”) with Oei Hong Leong Foundation (Pte) Ltd (the “**Subscriber**”). Subject to and upon the terms and conditions of the Subscription Agreements, the Subscriber has agreed to:

- (a) subscribe and pay for 10,310,849 new ordinary shares (the “**New Shares**”) in the capital of the Company at the price of S\$0.2531 for each New Share (“**Subscription 1**”). The New Shares constitute 9.29% of the present issued share capital of the Company of 110,993,254 ordinary shares. In consideration for the subscription of the New Shares, the Subscriber will transfer 20,000,000 ordinary shares legally and beneficially owned by the Subscriber as at the date of the Subscription Agreements, constituting 14.29% of the issued and paid up share capital of Tung Lok Restaurants (2000) Ltd, to the Company; and
- (b) subsequent to and subject to the due completion of the allotment and issuance of the New Shares pursuant to Subscription 1, subscribe and pay for 27,000,000 new shares (“**Further New Shares**”) at the price of S\$0.30 for each Further New Share (“**Subscription 2**”). The Further New Shares, upon issue, shall constitute 22.25% of the then issued share capital of the Company comprising 121,304,103 ordinary shares.

(Subscription 1 and Subscription 2 to be known collectively as the “**Subscriptions**”).

The New Shares and Further New Shares issued under Subscriptions, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of the Company. The terms of Subscriptions comply with section 275(1A) of the Securities Futures Act (Cap 289) and therefore there is no requirement for an offer information statement.

Under Subscription 1, the New Shares will be issued and allotted pursuant to the general mandate granted by the shareholders (the “**Shareholders**”) of the Company at the Annual General Meeting of the Company held on 28 April 2006. Subscription 2 will be subject to the Shareholders’ approval at an extraordinary general meeting. In this regard, the Company will dispatch a Circular to the Shareholders in due course.

The Subscriptions are conditional upon, *inter alia*, the approval of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the New Shares and Further New Shares on the Official List of the SGX-SESDAQ, and compliance with the conditions (if any) attached to such approval.

SUBSCRIPTION 1

The subscription price of S\$0.2531 for each New Share represents the weighted average price of the shares of the Company (the “**Shares**”) traded from 15 January 2007 to 19 January 2007. The aggregate consideration for the New Shares is S\$2,609,247. For the purpose of satisfying the aggregate consideration, the Subscriber will transfer 20,000,000 ordinary shares legally and beneficially owned by the Subscriber in Tung Lok Restaurants (2000) Ltd (the “**Tung Lok Shares**”), at S\$0.1305 for each Tung Lok Share, which is at 14.1% discount of the weighted average price of the

shares in Tung Lok Restaurants (2000) Ltd of S\$0.1519, traded from 15 January 2007 to 19 January 2007.

The acquisition of the Tung Lok Shares is in line with the Group's focus in consumer lifestyle activities. The Group currently has businesses in furniture, furnishing and beauty industries. In addition, the Group also owns 13% of the issued and paid-up share capital of Apex-Pal International Ltd, which is involved in the food and beverage business.

When completed, Subscription 1 will increase the existing issued share capital of the Company from 110,993,254 ordinary shares to 121,304,103 ordinary shares.

For illustration purposes only and assuming Subscription 1 had been completed on 31 December 2005, the financial effects of Subscription 1 on the net tangible assets ("NTA") of the Novena Group, based on the audited consolidated balance sheet of the Novena Group as at 31 December 2005, would have been as follows:

	As at 31 December 2005	Proforma after completion of Subscription 1
NTA (S\$'000)	20,746	23,355
Issued share capital	110,993,254	121,304,103
NTA per share (cents)	18.69	19.25

SUBSCRIPTION 2

The proceeds from Subscription 2 is approximately S\$8,100,000.

The subscription price of S\$0.30 for each Further New Share represents a premium of approximately 17% of the volume weighted average price of S\$0.2567 for trades done on the Company's shares on 16 January 2007.

The allotment and issuance of the Further New Shares will only occur subsequent to and subject to the due completion of the allotment and issuance of the New Shares pursuant to Subscription 1. When completed, Subscription 2 will increase the then issued share capital of the Company from 121,304,103 ordinary shares to 148,304,103 ordinary shares.

For illustration purposes only and assuming Subscription 2 had been completed on 31 December 2005 and after the completion of Subscription 1, the financial effects of Subscription 2 on the NTA of the Novena Group, based on the audited consolidated balance sheet of the Novena Group as at 31 December 2005, would have been as follows:

	As at 31 December 2005	Proforma after completion of the Subscription
NTA (S\$)	23,355	31,455
Issued share capital	121,304,103	148,304,103
NTA per share (cents)	19.25	20.21

USE OF PROCEEDS

The proceeds from the Subscriptions, approximately S\$8,100,000, will be used to fund the Group's general working capital purposes and expansion of the Group's businesses.

None of the New Shares or the Further New Shares will be placed with any persons or groups of persons prohibited by the SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual.

The Subscriber is a company which is incorporated in Singapore. It is an investment holding company.

The Directors of the Company regard the Subscriber as a strategic investor who will add value to the Company's business.

None of the Directors, and as far as the Directors are aware, none of the substantial shareholders of the Company has any interest, direct or indirect, in the Subscription.

By Order of the Board

Toh Soon Huat
Chief Executive Officer
22 January 2007