

**NOVENA HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199307300M)

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**THE PROPOSED SALE BY BEAUTE SPRING PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF THE LEASEHOLD INTEREST IN RESPECT OF THE PROPERTY AT 521 BUKIT BATOK STREET 23, SINGAPORE 659544, TO HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED, AS THE TRUSTEE OF MAPLETREE LOGISTICS TRUST AND THE LEASEBACK OF THE PROPERTY BY THE BEAUTE SPRING PTE. LTD.**

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**A. INTRODUCTION**

1. The Directors of Novena Holdings Limited (the "**Company**") are pleased to announce that its wholly-owned subsidiary, Beaute Spring Pte. Ltd. ("**Beaute Spring**"), has on 14 December 2006 entered into a conditional Put and Call Option Agreement (the "**Put and Call Option Agreement**") with HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**"), as trustee of Mapletree Logistics Trust ("**Mapletree**"), for the proposed sale and leaseback of its property at 521 Bukit Batok Street 23, Singapore 659544 (the "**Property**") together with the mechanical and electrical equipment located in or on the Property (the "**Mechanical and Electrical Equipment**").
2. Beaute Spring is in the business of retailing beauty and personal care products.
3. Mapletree is a real estate investment trust listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

**B. THE PUT AND CALL OPTION AGREEMENT**

4. Under the terms of the Put and Call Option Agreement, HSBCIT is granted a conditional call option to require Beaute Spring to sell the Property (the "**Call Option**") and Beaute Spring is granted a conditional put option to require HSBCIT to purchase the Property from Beaute Spring (the "**Put Option**"). The parties shall be deemed to have entered into an agreement for the sale and purchase of the Property at the Purchase Consideration (as defined below) and on the agreed purchase conditions on the date of exercise of either option in accordance with the terms of the Put and Call Option Agreement.
5. The proposed purchase consideration of the Property together with the Building, Mechanical and Electrical Equipment is S\$24,098,000 (subject to adjustment according to the final built-in gross floor area of the Building approved by the Governmental Agency at the same rate per square metre (the "**Purchase Consideration**") which was arrived at on a "willing-buyer, willing-seller" basis.
6. The Purchase Consideration will be satisfied in cash in the following manner:-
  - (a) upon signing the Put and Call Option Agreement on 14 December 2006, the Purchaser had paid an option fee of S\$240,980 ("**Option Fee**") to its solicitors, M/s Rodyk & Davidson, who are authorised to acknowledge receipt and to hold the Option Fee as stakeholders on the terms of the Put and Call Option Agreement. The Option Fee shall be placed on fixed deposit and interest thereon shall be paid in accordance with the terms of the Put and Call Option Agreement;
  - (b) upon signing a purchase agreement for the Property (the "**Purchase Agreement**") by Beaute Spring and HSBCIT, a deposit ("**Deposit**") equivalent to 10% of the Purchase Consideration, shall be paid by HSBCIT by cashier's order or cheque to Beaute Spring's solicitors, M/s Shooklin & Bok who are authorised

to acknowledge receipt on behalf of Beaute Spring, as stakeholders on the terms of the Purchase Agreement. The Option Fee shall be applied and held by the M/s Shooklin & Bok as part of the Deposit. The Deposit shall be placed in an interest bearing bank account and interest thereon shall be paid in accordance with the terms of the Purchase Consideration; and

- (c) the balance 90% of the Purchase Consideration shall be paid by HSBCIT to Beaute Spring by cashier's order or in such other manner as HSBCIT or Beaute Spring may agree in writing on completion of the acquisition of the Property by HSBCIT ("**Completion**").

7. The Purchase Consideration was arrived at on a "willing-buyer, willing-seller" basis.

#### **C. LEASEBACK**

8. On Completion, Beaute Spring will enter into a lease agreement (the "**Lease Agreement**") with HSBCIT to lease back the Property for a term of seven years (the "**Term**"). The Term shall commence from the date of Completion and on the terms and conditions of the Lease Agreement.

#### **D. MATERIAL CONDITIONS**

9. The Put Option and the Call Option may not be exercised by Beaute Spring and HSBCIT respectively unless, *inter alia*, the following conditions are satisfied in accordance with the terms and conditions of the Put and Call Option Agreement:-

- (a) Approval of the shareholders of the Company and the approvals from the Housing and Development Board and/or other relevant authorities (the "**Relevant Approvals**") having been obtained within sixteen weeks from the date of the Put and Call Option Agreement and Beaute Spring giving notice of this to HSBCIT in accordance with the Put and Call Option Agreement;
- (b) Neither Beaute Spring nor HSBCIT has served on each other a written notice to rescind the Put and Call Option Agreement on the basis that the terms and conditions of any of the Relevant Approvals, either singly or in aggregate, is/are not acceptable to them;
- (c) HSBCIT completing its due diligence investigations in relation to the Property and obtaining results which are satisfactory to HSBCIT;
- (d) (unless specifically waived by HSBCIT) HSBCIT securing within sixteen weeks from the date of the Put and Call Option Agreement sufficient financing to undertake the acquisition of the Property and the agreements for such financing have not been terminated and are unconditional in all respects;
- (e) (save and except where HSBCIT has given written notice to Beaute Spring prior to the expiration of sixteen weeks from the date of the Put and Call Option Agreement that approval from the unitholders of Mapletree (the "**Unitholders' Approval**") is not required pursuant to the provisions of the guidelines for real estate investment trusts as Appendix 2 to the Code on Collective Investments Schemes issued by the Monetary Authority of Singapore and the listing manual of the SGX-ST (the "**Listing Manual**")), the Unitholders Approval having been obtained and HSBCIT giving notice of this to Beaute Spring in accordance with the Put and Call Option Agreement;
- (f) HSBCIT has not served on Beaute Spring a notice, in accordance with the Put and Call Option Agreement, that HSBCIT or its solicitors have received an unsatisfactory reply to the legal requisitions on the Property;
- (g) (unless specifically waived by HSBCIT in writing) there being no material

damage to the Property; and

- (h) (unless specifically waived by HSBCIT in writing) there being no compulsory acquisition or notice of compulsory acquisition affecting the whole or any part of the Property.

**E. RATIONALE FOR PROPOSED SALE AND USE OF SALE PROCEEDS**

10. It was noted that Mapletree expressed interest to Beaute Spring to consider the proposed sale and leaseback of the Property. The Directors are of the view that the unsolicited offer made by Mapletree to buy the Property is beneficial to the Group and will enable the Group to deploy its capital more efficiently towards the expansion of the Group's businesses.
11. The net proceeds (the "**Net Proceeds**") of the proposed sale of the Property (the "**Proposed Sale**") will amount to approximately S\$16.11 million. The Group intends to use approximately S\$7.5 million of the Net Proceeds to make an early repayment of the outstanding bank loans and borrowings. The balance of the Net proceeds will be used to expand the business of the Group and to provide additional working capital for the Group.
12. The proposed leaseback of the Property will enable the Group to continue to have long term use of the Property that meets the operational requirements of the Company.

**F. FINANCIAL EFFECTS OF THE PROPOSED SALE**

13. **Profits/(Loss)**

On Completion, the net book value of the Property will be approximately S\$7.98 million. Accordingly, the proceeds from the Proposed Sale represents a gain over the book value of the Property of approximately S\$16.11 million which shall be deferred and amortised over the lease term of 7 years.

14. **Gearing**

Assuming that the Proposed Sale had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for the financial year ("**FY**") 2005, and further assuming that the net proceeds of approximately S\$16.11 million from the proposed sale of the Property are used to reduce bank borrowings, the Group's net borrowings of approximately S\$11.32 million will fall to S\$0 million and the gearing of the Group will improve from approximately 0.50 to 0 times.

15. **Earnings/(Loss)**

Assuming that the Proposed Sale had been completed on 1 January 2005 and based on the Group's audited consolidated financial statements for FY2005, the effects on the consolidated earnings of the Group are as follows:-

	<b>Before Proposed Sale</b>	<b>After Proposed Sale</b>
Profits / (loss) after tax and minority interests (S\$'000)	1,710	2,645
Earnings/(loss) per share (cents)	1.56	2.4

16. **Net Tangible Assets ("NTA")**

Assuming that the Proposed Sale had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for FY2005, the effects on the consolidated NTA of the Group are as follows:-

	Before Proposed Sale	After Proposed Sale
NTA (S\$'000)	20.746	36.858
NTA per share (cents)	19	33

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

17. Save for their respective interests in the Company, if any, none of the Directors or substantial shareholders of the Company has any direct or indirect interest in the Proposed Sale.

**H. COMPUTATION PURSUANT TO RULE 1006**

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

Rule 1006	Bases	Computation	Percentage (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 June 2006	S\$7,982/S\$23,164 = 34.5%	34.5%
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits as at 30 June 2006	S\$16,112/S\$1,680 =959%	959%
(c)	Aggregate value of consideration received, compared with the Company's market capitalisation as at 13 December 2006	Market Cap 18.5cents x 110,993,254 shares =\$20,533  S\$24,098/S\$20,533 =117%	117%
(d)	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	Not applicable

19. Pursuant to the Listing Manual, the disposal of the Property is considered a major transaction and requires approval by the shareholders of the Company at an extraordinary general meeting. A circular containing further information relating to, *inter*

*alia*, the disposal of the Property, together with the notice of the extraordinary general meeting, will be despatched to all the shareholders of the Company in due course.

**I. DOCUMENTS AVAILABLE FOR INSPECTION**

20. Copies of the Put and Call Option Agreement (including the format of the Lease Agreement to be entered into by Beaute Spring) may be inspected by the shareholders of the Company during normal business hours at the Company's registered office for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Toh Soon Huat  
Acting Chairman/CEO

14 December 2006