

NOVENA HOLDINGS LIMITED

Company Registration no: 199307300M
(Incorporated in Singapore)

PROPOSED ACQUISITION OF 521 BUKIT BATOK STREET 23, SINGAPORE 659544 (“PROPERTY”)

1. Introduction

The Board of Directors of Novena Holdings Limited (the “Company”) wishes to announce that the Company, through its wholly owned subsidiary Beaute Spring Pte Ltd (the “Purchaser”) has entered into a conditional Option to Purchase (the “Option”) with United Overseas Bank Limited (the “Vendor”) for the acquisition of the above subject property (the “Proposed Transaction”).

2. The Property/Purchase consideration

The Property is a purpose built detached part 3, part 2 and part 6 storey factory cum office building along Bukit Batok Street 23. The front of the building comprises 7 storey office areas. The tenure of the Property is 30+30 years wef from 1995. It has an approximate land area of 104,661 sft and a gross floor area of 182,155 sft. The total purchase consideration for the property is S\$6.8 million (the “Consideration”). The consideration was arrived at on a “willing buyer willing seller” basis after taking into account various commercial factors including the location of the Property and comparing recent transacted prices in the vicinity.

3. Material terms and condition of the Proposed Transaction.

The consideration is payable in cash and would be fully funded through internal funds and bank borrowings. The consideration is payable in two tranches, the first 10% payable on exercising of the Option of purchase and the balance on completion date which would be 4 weeks from exercise of the option. Barring any unforeseen circumstances the completion date is expected to take place around end August 2006. Completion of the sale and purchase agreement is conditional on the Company obtaining the necessary shareholders’ approval. The Proposed Transaction is a mortgagee sale. The mortgagor of the Property (the “Mortgagor”) is presently still under judicial management. Consequently, the Proposed Transaction will be subject to the consent of the judicial manager of the Mortgagor.

4. Financial effects of the Proposed Transaction

The total consideration of S\$6.8million constitutes about 34% of the market capitalization of the Company of S\$19.98 million based on the weighted average price of the Company’s shares transacted on 27th April 2006. Pursuant to the Rule 1013 of the SGX Listing Manual, the Proposed Transaction is regarded as a major transaction and hence shareholders’ approval of the Company is required. The Company will prepare a circular to shareholders and will convene a general meeting to approve the transaction in accordance with the requirements prescribed under Chapter 10 of the Listing Manual of the Singapore Exchange.

The Proposed Transaction will not have any material effect on the net tangible assets per share or the earnings per share of the Company with reference to the Company’s financial position for the financial year ended 31 December 2005.

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5. Rationale for the Proposed Transaction

The Board of Directors considers the Proposed Transaction to be strategic one for the Group. With the purchase, it will enable the Group to consolidate some of its major subsidiaries together under one roof, vis-a-vis the present situation where these companies are occupying rented premises at various locations. With a centralized location for the Group, it would enable the Group to improve the management of and the communications channels between the different subsidiaries within the Group.

Directors' and Controlling Shareholder's Interest

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the Proposed Transaction.

BY THE ORDER OF THE BOARD

Toh Soon Huat
Acting Chairman/
Chief Executive Officer

28th April 2006