

BROTHERS (HOLDINGS) LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199700550E

CAPITALISATION OF VALUE LAND PTE. LTD. (“VLPL”), A SUBSIDIARY OF BROTHERS (HOLDINGS) LIMITED (THE “COMPANY”), RESULTING IN A REDUCTION OF THE COMPANY’S SHAREHOLDING IN VLPL

Further to the Company’s announcements of 12 December 2006 and 15 January 2007, the Board of Directors of the Company wishes to announce that pursuant to the terms of the JV Agreement, each of Brothers (China) Pte. Ltd. (“BCPL”) (a wholly-owned subsidiary of the Company) and Azette Holdings Ltd (“AHL”) has capitalised VLPL in accordance with the terms of the JV Agreement (the “Capitalisation”) in the manner set out in the table below. As a result of the Capitalisation, the issued and paid-up share capital of VLPL (a wholly-owned subsidiary of BCPL prior to the Capitalisation) has increased from S\$2 (comprising 2 ordinary shares) to S\$19,800,020 (comprising 20,000,000 ordinary shares).

<u>Allottees</u>	<u>No. of ordinary shares allotted</u>	<u>Total amount of consideration</u>	<u>Manner of settlement of consideration</u>
BCPL	9,999,998	S\$ 9,900,008	Capitalisation of shareholder’s loan
AHL	10,000,000	S\$ 9,900,010	Cash
	<u>19,999,998</u>	<u>S\$19,800,018</u>	

Subsequent to the Capitalisation, the Company’s shareholding (which is held through BCPL) in VLPL has reduced from 100% to 50%. AHL will hold the remaining 50% of VLPL’s issued and paid-up capital.

To the best of the Directors’ knowledge, none of the Directors of the Company or substantial shareholders of the Company has, other than through the Group, any interest, direct or indirect, in the above transaction.

All capitalised terms herein shall have the same meanings ascribed to them in the announcements dated 12 December 2006, unless otherwise provided or unless the context otherwise requires.

Submitted by Ms Lee Mei Fong, Company Secretary, By Order of the Board on 08/02/2007 to the SGX-ST