



Boustead Projects Limited
(Co. Reg. No. 199603900E)

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Singapore 408832

BOUSTEAD PROJECTS PROPOSED INVESTMENT IN NEW ASSOCIATED COMPANY

Singapore, 29 March 2019

1) Introduction

In accordance with Rule 704(17), the Board of Directors ("**Board**") of Boustead Projects Limited ("**Company**") wishes to announce that the Company has on 29 March 2019 entered into a sale and purchase agreement (the "**SPA**") with Chang Kwok Kin, Chan Jacqueline, Liu Wang Lai and Kuan Mun Fai (Guan Minhui) (the "**Vendors**"), pursuant to which the Company shall acquire 277,136 ordinary shares in the capital of DSCO Group Holdings Pte. Ltd. (the "**Target Company**"), representing 25% of the issued and paid-up share capital in the Target Company (the "**Proposed Investment**"). The Company will also enter into a shareholders' agreement (the "**SHA**") with the Vendors following completion of the Proposed Investment, under which the Vendors also grant the Company a call option to acquire the balance of the shares in the Target Company within the third to seventh years from completion of the Proposed Investment.

2) Background on Target and Rationale for Proposed Investment

The Target Company, together with its subsidiaries (the "**Target Group**"), is a provider of specialised building engineering consulting services in the Asia Pacific, which include design consultancy and project management services.

The Company is of the view that the Proposed Investment is in the interests of the Company, as it would allow the Company to support future expansion into development and construction of commercial and high-value specialised projects, and improve its range of expertise as an integrated real estate solutions provider in the Asia Pacific in which the Company operates its development, design-and-build and real estate businesses.

3) Material Terms of Proposed Investment

The consideration for the Proposed Investment shall be S\$4,209,030, subject to post-completion adjustments in accordance with the terms of the SPA (the "**Consideration**"), which are subject to verification by independent accountants at the Company's option.

The Consideration for the Proposed Investment was arrived at following arm's length negotiations, on a willing-seller, willing-buyer basis and after taking into account various factors, such as the net asset value, profit after tax and net cash position of the Target Group. The Consideration will be wholly satisfied in cash and shall be funded from the Company's internal resources.

Based on the unaudited consolidated financial statements of the Target Group as at 31 December 2018, its net asset value is approximately S\$7,729,000.

4) Post-Completion

Following completion of the Proposed Investment, which is anticipated to take place in April 2019, the Target Company will become an associated company of the Company.

5) Financial Effects

The Proposed Investment is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending on 31 March 2019. The Vendors will continue to manage the day-to-day business of the Target Company and its subsidiaries independently from the Company.

6) Interest of Directors and Controlling Shareholders

None of the directors of the Company has any interest, direct or indirect, in the Proposed Investment, other than through their respective shareholding interests in the Company.

By Order of the Board

Tay Chee Wah
Company Secretary

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, business park and commercial, food, healthcare and pharmaceutical, high-tech manufacturing, info-communications, lifestyle, logistics, oil & gas, precision engineering, research & development, technology and waste management industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only nine bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 11 SHARP Awards to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering services, geo-spatial technology and healthcare group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Contact Information

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