

## **DISPOSAL OF WHOLLY-OWNED SUBSIDIARY BOUSTEAD SALCON WATER SOLUTIONS**

**Singapore, 30 December 2020**

### **1) Introduction**

The Board of Directors (the “Board”) of Boustead Singapore Limited (the “Company”, together with its subsidiaries, the “Group”), wishes to announce that it has on 30 December 2020 entered into a sale and purchase agreement (the “SPA”) with Chip Eng Seng Construction Pte. Ltd. (the “Purchaser”) for the sale of 110,216,644 ordinary shares (the “Sale Shares”) (representing 100% of the issued and paid-up capital) in its wholly-owned subsidiary, Boustead Salcon Water Solutions Pte. Ltd. (the “Target”) (the “Disposal”).

The Disposal excludes Boustead Salcon Processes Private Limited and Salcon-Thai Company Limited (both the subsidiaries of the Target) (the “Foreign Group Companies”). As part of the Disposal, the Company has entered into a buy back agreement with the Target, pursuant to which the Company shall buy back the Foreign Group Companies from the Target.

Following completion of the Disposal today, 30 December 2020, the Target will cease to be a subsidiary of the Company.

### **2) Information on Purchaser and Target**

#### **2.1 Purchaser**

The Purchaser is a 100% wholly-owned subsidiary of Chip Eng Seng Corporation Ltd, a company which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The principal business activities of Chip Eng Seng Corporation Ltd and its subsidiaries are in property development, construction, hospitality, property investment holding and education.

#### **2.2 Target**

The Target is a wholly-owned subsidiary of the Company and was incorporated in Singapore on 23 May 1980. Its principal business activities are the provision of design, engineering and construction services for water and wastewater treatment plants.

Based on the last announced unaudited consolidated financial statements of the Group for the financial period ended 30 September 2020, the net liability value of the Target is approximately S\$2,633,000. Based on the unaudited management accounts of the Target for the period of 1 January 2020 to 30 June 2020, the net loss of the Target is approximately S\$2,309,000.

### **3) Consideration**

Pursuant to the SPA, the aggregate consideration payable by the Purchaser for the Sale Shares is S\$7,280,000 (the “Consideration”).

The Consideration shall be satisfied by the Purchaser by crediting, for same day value, the Company’s account, by way of telegraphic transfer for value or by cashier’s order on the date of completion of the Disposal. The Consideration was arrived at after arms’ length negotiations and on a willing-buyer willing-seller basis, after taking into consideration, among other things,

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the book value of the assets and liabilities of the Target for the financial period ended 30 September 2020.

**4) Rationale for Disposal**

The Disposal will allow the Group to redeploy the consideration for the Disposal into its other core businesses and to re-strategise and re-allocate its management and financial capital resources. The Board is thus of the view that the Disposal is in the best interests of the Group and the shareholders of the Company.

**5) Relative Figures under Chapter 10 of SGX-ST Listing Manual**

As the relative figures computed on the applicable bases under Rule 1006 of the Listing Manual of the SGX-ST (the "Listing Manual") do not exceed 5.0%, the Disposal is a non-disclosable transaction under Rule 1008 of the Listing Manual.

**6) Financial Effects of Disposal**

The Disposal is not expected to have any material impact on the net tangible assets per share of the Group but is expected to have a positive impact on the earnings per share of the Group for the current financial year ending 31 March 2021.

**7) Interests of Directors and Substantial Shareholders**

None of the directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Disposal.

By Order of the Board

Alvin Kok  
*Company Secretary*

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## **About Boustead Singapore Limited**

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world’s leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world’s most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 89 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). In 2020, we were ranked among Singapore’s Best Employers, at 38th overall and 2nd under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,800 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

Visit us at [www.boustead.sg](http://www.boustead.sg).

## **Contact Information**

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