

Company Announcement



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

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Singapore 408832

UPDATE ON SETTLEMENT OF HIGH COURT SUIT NO. 1141 OF 2018

Singapore, 9 June 2020

The Board of Directors of Boustead Projects Limited (the "Company") refers to the Company's announcement made on 2 June 2020 ("Announcement") that it had entered into a settlement ("Settlement") with YCH Holdings (Pte) Ltd ("YCH") in relation to Suit No. 1141 of 2018 (the "Suit"), filed by YCH in the High Court of the Republic of Singapore (the "Court").

As announced by the Company in its announcement dated 28 November 2018, YCH had claimed (i) a declaration that the Company had breached contractual obligations it allegedly owed to YCH in connection with a development project known as Supply Chain City; (ii) damages to be assessed in respect of the Company's alleged breach of the contract referred to in (i) above; in the alternative to (i) and (ii) above, damages in tort (for alleged fraudulent misrepresentation/tort of deceit) in the sum of S\$2.335 million; interest, costs and such further relief which the Court deems fit.

In further and better particulars of the Statement of Claim (Amendment No. 1) dated 18 December 2018 ("SOC") filed on 17 March 2020, YCH quantified its claim for damages against the Company in respect of the Company's alleged breach of the contract as S\$40,651,505.78.

Further to the Announcement and the application by YCH to discontinue the Suit ("**Application**"), the Company wishes to announce that the Suit has now been discontinued by consent of YCH and the Company.

In YCH's affidavit filed in support of the Application, YCH has stated that:

- 1) YCH accepts that all the claims made in the SOC (including the allegations of fraudulent misrepresentation and/or tort of deceit made against the Company) are without basis; and
- 2) YCH accepts and acknowledges that it paid the sum of S\$2,335,000 to the Company under a Letter of Award dated 9 November 2012 for preliminary works that the Company had carried out, and not because of any representations made by the Company and YCH accepts and acknowledges that the Company earned and is entitled to retain that sum.

The Court granted leave to YCH to discontinue the Suit on the terms that:

- a) YCH shall not commence any claim (in Court or by arbitration) relating to the subject matter of the Suit against the Company; and
- b) Each party has to bear its own costs of the Suit and of the Application.

Pursuant to the terms of the Settlement, without any admission of liability and purely with a view to resolving the Suit amicably, and not otherwise, and on the agreed basis that the Company is under no obligation to pay any amount or refund any sum to YCH, the Company has made a goodwill payment of S\$800,000.00 ("Settlement Sum") to YCH on 9 June 2020, following the service of the Notice of Discontinuance and the sealed Order of Court for the Application on the Company's solicitors.

The Board is of the view that the Settlement is in the best interests of the Company. The Settlement allows the Company to minimise costs incurred for its defence of the Suit. At present, the Company does not expect the Settlement to have a material impact on the Company's financial performance for FY2021.

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 real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of 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 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – Industry 4.0 transformation standards and full-fledged integrated digital delivery – are shaping custom-built future-ready developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments 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 seven 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 13 Safety & Health Award Recognition for Projects (SHARP) 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 one of only 95 SGX-listed corporations on the SGX Fast Track Programme, a programme that aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance for their corporate action submissions. 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 and technology group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Contact Information

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