VOLUNTARY UNCONDITIONAL OFFER

by

BOUSTEAD SINGAPORE LIMITED

(Company Registration No. 197501036K)

(Incorporated in Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

BOUSTEAD PROJECTS LIMITED

(Company Registration No. 199603900E)

(Incorporated in Singapore)

other than those already owned, controlled or agreed to be acquired by Boustead Singapore Limited, its related corporations and their respective nominees and the parties acting in concert with it.

REVISION OF OFFER PRICE TO S$0.95
NO FURTHER INCREASE OF FINAL OFFER PRICE
NO EXTENSION TO CLOSING DATE

1. INTRODUCTION

Boustead Singapore Limited (the "**Offeror**") refers to the offer announcement dated 6 February 2023 issued by the Offeror (the "**Offer Announcement**") in relation to the voluntary unconditional general offer (the "**Offer**") for all the issued and paid-up ordinary shares (excluding treasury shares) (the "**Shares**") in the capital of Boustead Projects Limited (the "**Company**") other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

All capitalised terms used and not defined in this announcement (this "**Announcement**") shall have the same meanings given to them in the Offer Announcement, unless otherwise expressly stated or the context otherwise requires.

2. REVISION OF OFFER PRICE

The Offeror wishes to announce that the Offeror is revising the Offer Price as follows ("**Final Offer**"):

For each Offer Share: S$0.95 in cash (the "Final Offer Price")

The Offeror wishes to announce that the Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Saved as disclosed in this Announcement, all the other terms and conditions of the Offer as set out in the Offer Announcement remain unchanged.

3. FINANCIAL ASPECTS OF THE FINAL OFFER

The Final Offer Price represents an increase of S$0.05 or 5.6% over the initial Offer Price of S$0.90 per Offer Share.

The Final Offer Price represents the following premia over certain historical traded prices of the Shares as set out below:

	Description	**Benchmark Price (S$)[(1)]**	**Premium of Final Offer Price over Benchmark Price (%)[(2)]**
(a)	Last traded price of the Shares on the SGX-ST on the Latest Practicable Date (being 3 February 2023)[1]	0.835	13.8
(b)	VWAP of the Shares on the SGX-ST for the 1-month period up to and including the Latest Practicable Date	0.781	21.6
(c)	VWAP for the 3-month period up to and including the Latest Practicable Date	0.785	21.0
(d)	VWAP for the 6-month period up to and including the Latest Practicable Date	0.807	17.7
(e)	VWAP for the 12-month period up to and including the Latest Practicable Date	0.889	6.9

Notes:

(1) Based on data extracted from Bloomberg Finance L.P. on 3 February 2023, being the Latest Practicable Date, figures rounded to the nearest three (3) decimal places.

(2) Premia rounded to the nearest per cent.

4. RESULTANT SHAREHOLDING

As the Offer Document and the relevant form(s) of acceptance have not yet been despatched to the Company Shareholders, the Offeror has not received any acceptances of the Offer Shares.

Accordingly, based on information available to the Offeror, as at the date of this Announcement, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and the Offeror's Concert Parties amounts to an aggregate of 234,527,617 Shares, representing approximately 74.87% of the total number of Shares.

[1] There were no trades on the Shares for each of 2 February 2023 and 3 February 2023. Accordingly, the last traded price per Share as quoted on the SGX-ST on 3 February 2023 reflects the last traded price as at the close of 1 February 2023, being S$0.835.

5. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer ("**Acceptance Forms**") will be despatched to the Company Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The Offer will remain open for acceptances by the Company Shareholders for a period of 28 days from the date of the electronic dissemination of the Offer Document. **THERE WILL BE NO EXTENSION OF THE CLOSING DATE.**

The procedures for acceptance of the Offer will be set out in the Offer Document and Acceptance Forms. Company Shareholders who wish to accept the Offer may do so by completing and returning the Acceptance Forms no later than the closing date of the Offer, which will be set out in the Offer Document.

Company Shareholders who are in any doubt about the Offer should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.

6. CONFIRMATION OF FINANCIAL RESOURCES

United Overseas Bank Limited confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer Shares by the Company Shareholders on the basis of the Final Offer Price. For the avoidance of doubt, United Overseas Bank Limited is not acting as financial adviser to the Offeror for the Offer.

7. PRO FORMA FINANCIAL EFFECTS OF THE FINAL OFFER

7.1. **Bases and Assumptions.** The pro forma financial effects of the Final Offer set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Final Offer on the consolidated net tangible assets ("**NTA**") per share in the issued share capital of the Offeror ("**Offeror Share**"), the earnings per Offeror Share ("**EPS**"), the net asset value ("**NAV**") per Offeror Share and the net gearing of the Offeror, nor represent the actual or future financial position and/or results of the Offeror immediately after the close of the Final Offer or upon completion of the Final Offer. The pro forma financial effects of the Final Offer set out below have been prepared based on the last audited consolidated financial statements of the Offeror for the financial year ended 31 March 2022 ("**FY2022**") and on the following bases and assumptions:

7.1.1. all the holders of the Offer Shares validly accept the Final Offer; and

7.1.2. the Offeror and the parties acting or presumed to be acting in concert with the Offeror hold 100.0% of the Shares in the Company, of which the Offeror holds 80.01% of the Shares in the Company, as a result of the Final Offer.

7.2. **Effect on NTA per Offeror Share.** For illustrative purposes only and assuming that the Final Offer had been completed on 31 March 2022, being the end of FY2022, the pro forma financial effects of the Final Offer on the consolidated NTA per Offeror Share are set out below:

	Before the Offer	**After the completion of the Final Offer**
NTA attributable to equity holders of the Offeror (S$'000)	433,413	460,773

Number of Offeror Shares (excluding treasury shares) (as at 31 March 2022)	482,247,329	482,247,329
NTA per Offeror Share (S$)	0.899	0.955

7.3. **Effect on EPS.** For illustrative purposes only and assuming that the Final Offer had been completed on 1 April 2021, being the beginning of FY2022, the pro forma financial effects of the Final Offer on the EPS are set out below:

	Before the Offer	**After the completion of the Final Offer**
Profit attributable to the equity holders of the Offeror (S$'000)	30,578	33,529
EPS[2] (S$)	0.063	0.069

7.4. **Effect on NAV per Offeror Share.** For illustrative purposes only and assuming that the Final Offer had been completed on 31 March 2022, being the end of FY2022, the pro forma financial effects of the Final Offer on the NAV per Offeror Share are set out below:

	Before the Offer	**After the completion of the Final Offer**
NAV attributable to equity holders of the Offeror (S$'000)	433,566	460,926
Number of Offeror Shares (excluding treasury shares) (as at 31 March 2022)	482,247,329	482,247,329
NAV per Offeror Share (S$)	0.899	0.956

7.5. **Effect on Net Gearing.** For illustrative purposes only and assuming that the Final Offer had been completed on 31 March 2022, being the end of FY2022, the pro forma financial effects of the Final Offer on the net gearing of the Offeror are set out below:

	Before the Offer	**After the completion of the Final Offer**
Total borrowings (S$'000)	15,980	15,980
Gearing ratio (Borrowings/NAV attributable to equity holders of the Offeror) (%)	3.7%	3.5%

8. OPINION AND ADVICE OF THE INDEPENDENT ADVISER TO OFFEROR SHAREHOLDERS

8.1. Pursuant to Rule 7.2 of the Code, the Independent Adviser was appointed by the Offeror to advise on whether or not the Final Offer is in the interests of the Offeror's shareholders. A copy of the Independent Adviser letter dated 22 February 2023 ("**Independent Adviser Letter**") addressed to the Offeror's Board is set out in Appendix A to this Announcement and the

[2] Earnings refer to profit attributable to equity holders of the Offeror.

Offeror's shareholders are advised to read the Independent Adviser Letter carefully.

8.2. **Independent Adviser Opinion and Advice.** The Independent Adviser's opinion in respect of the Final Offer is extracted and set out in italics as follows:

"***7. OUR OPINION ON THE PROPOSED ACQUISITION***

In arriving at our advice to the Independent Directors on the Proposed Acquisition and the making of the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by the Offeror, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

(a) the terms of the Offer, including the Final Offer Price;

(b) the rationale of the Proposed Acquisition and the Offer;

(c) the market quotation and historical trading activity of the Shares;

(d) the comparison of valuation measures of the Company implied by the Final Offer Price against those of the Comparable Companies;

(e) the comparison of valuation measures of the Proposed Acquisition implied by the Final Offer Price against those of the Comparable Transactions;

(f) the comparison of the Proposed Acquisition against the Precedent Privatisation Transactions;

(g) the Offeror's intentions in relation to the Company, being a principal subsidiary of the Offeror;

(h) the Offeror's intention to privatise the Company and delist the Company from the SGX-ST should the option be available to the Offeror;

(i) the Offer Shares excluding the Shares already owned, controlled and agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with the Offeror as at the date of the Offer, including the deemed interest of FF Wong, the Chairman & CEO of the Offeror;

(j) the Final Offer Price representing a premium of 3.1% to the VWAP between the Offer Announcement Date and the Latest Practicable Date and a discount of 3.6% to the last transacted price as at the Latest Practicable Date;

(k) the Final Offer Price representing a discount to the NAV of the Company as at 30 September 2022; and

(l) the Proposed Acquisition being EPS, NAV per Offeror Share and NTA per Offeror Share accretive based on the pro forma financial effects of the Final Offer.

Having regard to the considerations set out in this letter and as discussed above, the information available to us as at the Latest Practicable Date (save for the Final Offer Price) and subject to the qualifications made herein, we are of the opinion that, on balance, the Proposed Acquisition by way of the Offer is in the interests of the Offeror Shareholders."

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the Company group), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by

BOUSTEAD SINGAPORE LIMITED

22 February 2023

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "targets" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.

APPENDIX A

INDEPENDENT ADVISER LETTER

Ernst & Young Corporate Finance Pte Ltd
One Raffles Quay
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Singapore 048583

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PO Box 384
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22 February 2023

The Independent Directors of
Boustead Singapore Limited
82 Ubi Avenue 4
#08-01 Edward Boustead Centre
Singapore 408832

Dear Sirs:

THE PROPOSED ACQUISITION BY BOUSTEAD SINGAPORE LIMITED BY WAY OF A VOLUNTARY UNCONDITIONAL OFFER FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF BOUSTEAD PROJECTS LIMITED, OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY BOUSTEAD SINGAPORE LIMITED, ITS RELATED CORPORATIONS AND THEIR RESPECTIVE NOMINEES AND THE PARTIES ACTING IN CONCERT WITH IT – REVISION OF OFFER PRICE TO S$0.95, NO FURTHER INCREASE OF FINAL OFFER PRICE AND NO EXTENSION TO CLOSING DATE

Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the Offer Announcement dated 6 February 2023 and in the announcement by the Offeror dated 22 February 2023 on the revision of the Offer consideration and no further price increase. For the purpose of this letter, "Proposed Acquisition" and "Offer" are with reference to the final terms of the Offer.

1 INTRODUCTION

On the Announcement Date, Boustead Singapore Limited ("**BSL**" or the "**Offeror**") announced that it intends to make the Offer for all the Offer Shares in the capital of Boustead Projects Limited ("**BPL**" or the "**Company**"), other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer in accordance with Rule 15 of the Code.

On 22 February 2023 (the "**Final Offer Announcement Date**"), the Offeror announced (the "**Final Offer Announcement**"), *inter alia*, that the Offeror is revising the Offer Price (the "**Final Offer**") as follows:

For each Offer Share: S$0.95 in cash (the "Final Offer Price").

The Offeror also announced that it does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Saved as disclosed in the Final Offer Announcement, all the other terms and conditions of the Offer as set out in the Offer Announcement remain unchanged.

Note 2 of Rule 7.2 of the Code provides the possible scenarios where a "conflict of interests" exists, which includes a situation where there are significant cross-shareholdings between the offeror company and the offeree company or where a common substantial shareholder in both companies is a director in either company. The Offeror has an individual shareholder (namely, Mr Wong Fong Fui ("**FF Wong**")) who owns shares directly in the Offeror and directly in the Company (via

nominees). FF Wong is a common substantial shareholder in both the Offeror and the Company and is a director of the Offeror, which gives rise to a possible material conflict of interest as defined under the Code. Under Rule 7.2 of the Code, the board must also make known the substance of the advice obtained to the Offeror Shareholders.

Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed pursuant to the requirements of Rule 7.2 of the Code to act as the Independent Adviser to the Independent Directors of the Offeror for the purpose of advising on the Proposed Acquisition and whether or not the making of the Offer is in the interests of the Offeror Shareholders when the Offeror faces a material conflict of interests.

This letter and our letter dated 6 February 2023 addressed to the Independent Directors and appended as an appendix to the Offer Announcement set out, *inter alia,* our evaluation of the financial terms of the Proposed Acquisition and our opinion thereon. A copy of this letter will be appended as an appendix to the Final Offer Announcement.

2 TERMS OF REFERENCE

EYCF has been appointed pursuant to Rules 7.2 of the Code to advise the Independent Directors on the Proposed Acquisition and on whether or not the making of the Offer is in the interests of the Offeror Shareholders when the Offeror faces a material conflict of interests.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Proposed Acquisition, as well as information provided to us by the Offeror, the Directors and/or the management of the Offeror (the "**Management**"), as at 20 February 2023, being the latest practicable date prior to the issuance of this letter (the "**Latest Practicable Date**"). Accordingly, our opinion does not take into account any event or condition which occurs after the Latest Practicable Date, save for the Final Offer Announcement, and we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. The Offeror Shareholders should take note of any announcement which may be released after the Latest Practicable Date.

We have confined our evaluation and analysis of the Proposed Acquisition to the financial terms thereof. It is not within our terms of reference to assess the commercial merits and/or commercial risks of the Proposed Acquisition, and to comment on the financial merits and/or financial risks of the Proposed Acquisition where the assessment of such financial merits and/or financial risks involves our reviewing of non-publicly available information of the companies involved to which we have no access and with which we have not been furnished. It is also not within our terms of reference to compare the relative merits of the Proposed Acquisition vis-à-vis any alternative transaction that the Offeror may consider in the future, and as such, we do not express an opinion thereon. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Shares held by the Offeror.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Proposed Acquisition, the Offer and/or the Final Offer, nor were we involved in the deliberations leading up to the decisions by the Directors and/or the Offeror in connection with the Proposed Acquisition, the Offer and/or the Final Offer. The scope of our appointment does not require us to express, and we do not express, a view on the future prospects of the Offeror and its subsidiaries (the "**BSL Group**"), and the Company and its subsidiaries (the "**BPL Group**"). We are, therefore, not expressing any view herein as to the market prices at which the Shares and the shares of BSL (the "**Offeror Shares**") may trade or on the future financial performance of the BSL Group and/or

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the BPL Group upon completion of the Proposed Acquisition and/or the Offer. No financial or profit forecasts, business plans or management accounts of the BSL Group and/or the BPL Group have been specifically prepared for the purpose of evaluating the Proposed Acquisition. Accordingly, we will not be able to comment on the expected future performance or prospects of the BSL Group and/or the BPL Group arising from the Proposed Acquisition and/or the Offer or otherwise (including without limitation any implication or uncertainty arising from the COVID-19 pandemic). However, we may draw upon the views of the Directors and/or the Management, to the extent deemed necessary and appropriate by us, in arriving at our opinion as set out in this letter.

In the course of our evaluation, we have held discussions with the Directors. We have also examined and relied on publicly available information in respect of the BPL Group collated by us as well as information provided to us by the Offeror, including information in relation to the Proposed Acquisition, the Offer and/or the Final Offer. We have not independently verified such information furnished by the Directors and/or the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to the Proposed Acquisition, the Offer and/or the Final Offer has been disclosed to us, that such information constitutes a full and true disclosure, and there is no relevant information the omission of which would make any of the information contained herein, in the Offer Announcement or in the Final Offer Announcement misleading in any respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Proposed Acquisition, the Offer and/or the Final Offer have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of the BSL Group and/or the BPL Group or any of their associated or joint venture companies. We have also not made an independent valuation or appraisal of the assets and liabilities of the BSL Group and/or the BPL Group.

The Offeror has been separately advised in the preparation of the Final Offer Announcement (other than this letter). We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Final Offer Announcement (other than this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Final Offer Announcement (other than this letter).

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Offeror Shareholder.

This letter and our opinion are required under Rules 7.2 of the Code as well as addressed to the Independent Directors for their use and benefit in connection with and for the purpose of their consideration of the Proposed Acquisition, the Offer and/or the Final Offer. Nothing herein shall confer or be deemed or is intended to confer, any right or benefit to any third party.

Our opinion in relation to the Proposed Acquisition and the making of the Offer should be considered in the context of the entirety of this letter, our letter dated 6 February 2023 as appended in the Offer Announcement, the Offer Announcement and the Final Offer Announcement.

3 THE FINAL OFFER PRICE

On the Final Offer Announcement Date, the Offeror announced the Final Offer Price of:

For each Offer Share: S$0.95 in cash.

The Offeror also announced that the Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Save as disclosed in the Final Offer Announcement, all the other terms and conditions of the Offer as set out in the Offer Announcement remain unchanged.

4 EVALUATION OF THE PROPOSED ACQUISITION BY WAY OF THE OFFER

In our analysis and evaluation of the Proposed Acquisition by way of the Offer, and our opinion thereon, we have taken into consideration the following, based on market, economic, industry, and other conditions as at the Latest Practicable Date, and on publicly available information and information made available to us by the Offeror as at the Latest Practicable Date:

(a) Terms of the Offer, including the Final Offer Price;

(b) Rationale of the Proposed Acquisition and the Offer;

(c) *Pro forma* financial effects of the Proposed Acquisition on the Offeror;

(d) Market quotation and historical trading activity of the Shares;

(e) Comparison of valuation measures of the Company against those of selected listed comparable companies;

(f) Comparison of valuation measures of the Proposed Acquisition against those of selected comparable transactions;

(g) Comparison with privatisation transactions for companies listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and

(h) Other relevant considerations in relation to the Proposed Acquisition by way of the Offer.

In our evaluation, we have considered the following widely used valuation measures:

Valuation Measure	Description
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation Ratio ("**EV/EBITDA Ratio**")	EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents EBITDA refers to the historical consolidated earnings before interests, taxes, depreciation and amortisation

Valuation Measure	Description
Price-to-Earnings Ratio ("**P/E Ratio**")	P/E Ratio or earnings multiple is the ratio of a company's market capitalisation divided by the historical consolidated net profit attributable to shareholders
Price-to-NAV Ratio ("**P/NAV Ratio**")	NAV refers to total assets (including intangible assets) less its total liabilities, and excludes, where applicable, minority interests P/NAV Ratio refers to the ratio of a company's share price divided by net asset value per share

The factors above are discussed in more details in the following sections.

6.1 Rationale for the Proposed Acquisition and the Offer

The Offeror's rationale for the Offer is set out in Section 7 of the Offer Announcement.

6.2 *Pro forma* financial effects of the Proposed Acquisition on the Offeror

The *pro forma* financial effects of the Offer based on the Final Offer Price are set out in Section 7 of the Final Offer Announcement.

We note that on a *pro forma* basis, the Proposed Acquisition is earnings, net tangible asset ("**NTA**") and NAV accretive, with reduced net gearing.

	Before the Offer	After the completion of the Offer based on the Final Offer Price
NTA per Offeror Share (S$)	0.899	0.955
NTA accretion (%)	-	*6.2%*
EPS (S$)	0.063	0.069
EPS accretion (%)	-	*9.5%*
NAV per Offeror Share (S$)	0.899	0.956
NAV accretion (%)	-	*6.3%*
Gearing ratio	3.7%	3.5%

Source: Final Offer Announcement

For illustrative purposes only, and assuming the Proposed Acquisition was completed on 1 April 2021, being the beginning of the financial year ended 31 March 2022 ("**FY2022**"), and as if the Offeror held the 80.01% shareholding in the Company as a result of the Offer through to 31 March 2022, the *pro forma* financial effects of the Proposed Acquisition on the Offeror EPS for the financial year ended 31 March 2022 represent an increase by S$0.006 or approximately 9.5%.

For illustrative purposes only, and as if the Proposed Acquisition was completed on 31 March 2022, being the end of FY2022, the *pro forma* financial effects of the Proposed Acquisition on the NAV per Offeror Share as at 31 March 2022 represent an increase by S$0.057 or approximately 6.3% and an increase by S$0.056 or approximately 6.2% on the NTA per Offeror Share as at 31 March 2022.

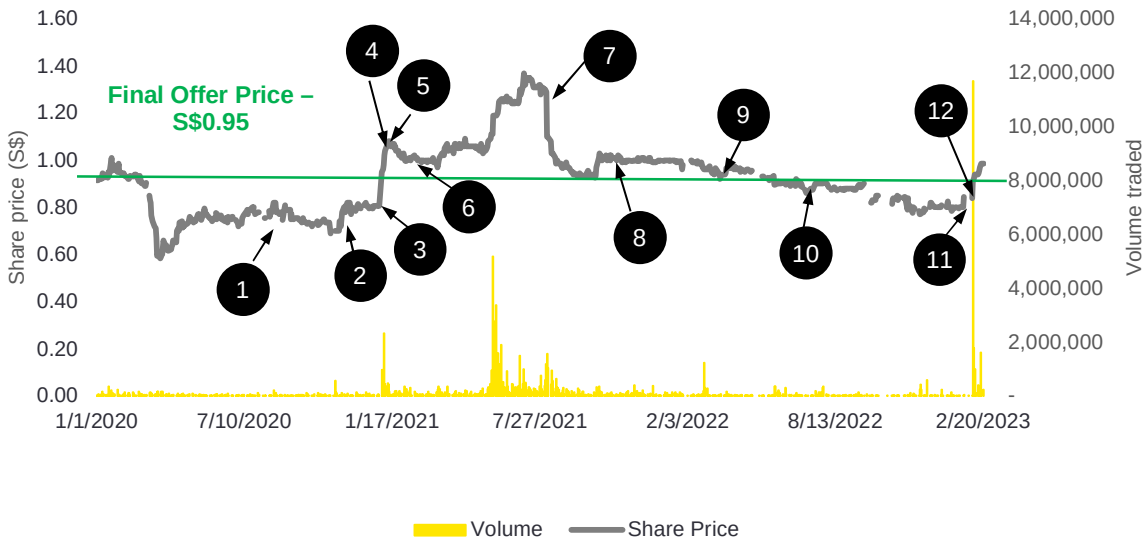
For illustrative purposes only, and as if the Proposed Acquisition was completed on 31 March 2022, being the end of FY2022, the *pro forma* gearing ratio as at 31 March 2022 would decrease from 3.7% to 3.5%.

We also note that the *pro forma* financial effects set out in Section 7 of the Final Offer Announcement do not take into account potential savings from any synergy resulting from the Proposed Acquisition.

6.3 Market quotation and historical trading activity of the Shares

We set out below a chart which shows the daily closing prices for the Shares and volume traded for the period from 1 January 2020 and up to the Latest Practicable Date. We have also marked dates during the given period where significant events occurred.

Historical Share Price and Trading Volume of the Shares from 1 January 2020 to the Latest Practicable Date



Source: Capital IQ, Company announcements

Significant Events:

(1) On 31 August 2020, the Company announced that Echo Base-BP Capital (Vietnam) Pte Ltd ("**Echo Base Vietnam**"), a wholly-owned subsidiary of its 50%-owned joint venture company Echo Base-BP Capital Pte Ltd ("**Echo Base**"), had entered into an agreement for the subscription of additional chartered capital in KTG Industrial Management Company Limited ("**KIM**") for the management of industrial leasehold properties in Vietnam.

(2) On 19 November 2020, the Company announced that Echo Base Vietnam had completed the subscription of additional chartered capital in KIM and KIM is now known as Boustead & KTG Industrial Management Company Limited.

(3) On 31 December 2020, the Company announced that it had established a private trust, Boustead Industrial Fund ("**BIF**") in Singapore with an investment mandate to invest in, administer and manage certain investments in logistics, business parks and industrial properties. In connection with the establishment of Boustead Industrial Fund, the Company proposed to undertake a subscription and a divestment (collectively, the "**Proposed Transactions**"). The Company was expected to recognise a gain on disposal of approximately S$136.1 million.

(4) On 18 January 2021, the Company announced that it had secured its first green loan in the region of approximately S$130.0 million from United Overseas Bank Limited under the UOB Real Estate Sustainable Finance Framework.

(5) On 1 February 2021, the Company announced that its wholly-owned subsidiary, BP-Vietnam Development Pte Ltd. had, on 29 January 2021, entered into a sale and purchase agreement with Mr Bui Duc Manh to acquire 8,575,000 issued ordinary shares in KTG Industrial Bac Ninh Development Joint Stock Company (the "**Target**"), representing 49.0% of the issued and paid-up share capital of the Target. The Target is the sole owner and developer of two (2) land lots located within the Yen Phong Industrial Zone in Bac Ninh, Vietnam.

(6) On 4 March 2021, the Directors announced that the Company had, on 3 March 2021, successfully completed the Proposed Transactions in connection with the launch of BIF.

(7) On 4 August 2021, the Company announced that the Company's wholly-owned subsidiary, Boustead Projects E&C Pte Ltd ("**BP E&C**"), had received a summons to appear at the State Courts of Singapore on 27 August 2021 to answer to a number of charges under the Air Navigation Act, Chapter 6 of Singapore ("**ANA**").

(8) On 3 November 2021, the Company announced that its Engineering and Construction ("**E&C**") subsidiaries in Singapore, Malaysia and Vietnam had been awarded a pipeline of contracts and variations collectively valued at about S$75.0 million since the start of FY2022.

(9) On 29 March 2022, the Company announced that at a hearing held at the State Courts of Singapore on 28 March 2022, BP E&C pleaded guilty to certain charges under the ANA. The charges are related to the use of unmanned drones by BP E&C at two of its construction sites as part of its efforts to leverage on the use of technology to increase the efficiency and productivity of its operations, and to mitigate the disruptions caused by the pandemic. The Company has since reviewed and implemented a Standard Operating Procedure in respect of the permit applications and dissemination, with a view of ensuring that such contraventions will not occur in the future.

(10) On 18 July 2022, the Company announced that one of its subsidiaries had been awarded a record contract valued at approximately S$300.0 million by a Fortune 500 corporation to design and build an integrated manufacturing, logistics and office facility in Singapore.

(11) On 31 January 2023, the Company announced that BIF will acquire a property at 26 Tai Seng Street, Singapore 534057 at purchase price of approximately S$98.8 million, negotiated on a willing-buyer, willing-seller basis.

(12) On 6 February 2023, the Offeror announced the Offer.

We note that for the period from 1 January 2020 up to and including the Latest Practicable Date, the Shares traded between a low of S$0.585 and a high of S$1.370.

As shown in the chart above, we also note that there are days when there is no trade done on the Shares. For the period from 1 January 2020 up to and including the Latest Practicable Date, the number of days on which Shares were traded was 701 days, representing 88.96% of the number of SGX-ST market days.

Additional information on the volume-weighted average price ("**VWAP**") of Shares and other trading statistics are set out below:

Reference period	VWAP[(1)] (S$)	Premium of Final Offer Price over VWAP (%)	Highest Transacted Price (S$)	Lowest Transacted Price (S$)	Average daily trading volume[(2)]	Daily trading volume as percentage of total Shares outstanding (%)	Shares traded days against STI[(3)] (%)
Periods up to and including the Latest Practicable Date							
Last 1 year	0.909	4.5	0.985	0.770	109,601	0.035	79.2
Last 6 months	0.904	5.1	0.985	0.770	164,633	0.053	73.0
Last 3 months	0.906	4.9	0.985	0.770	320,715	0.102	75.8
Last 1 month	0.921	3.1	0.985	0.800	928,858	0.297	73.7
Between the Offer Announcement Date and the Latest Practicable Date	0.922	3.1	0.985	0.910	1,761,040	0.562	100.0
Last transacted price[(4)]	0.985	(3.6)	0.985	0.985	237,100	0.076	-

Source: Capital IQ, Refinitiv, EYCF analysis

Notes:

(1) The VWAP is calculated based on the price of the Shares and the traded volume for the relevant trading days for each of the periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the given period divided by the number of market days during that period.

(3) "**STI**" is the FSTE Straits Times Index.

(4) The last transacted price represents the closing price on 20 February 2023, being the Latest Practicable Date.

We note the following:

(a) Over the last one year prior to and including the Latest Practicable Date, the Shares traded between a low of S$0.770 and a high of S$0.985;

(b) The Final Offer Price represents premiums of approximately 4.5%, 5.1%, 4.9%, and 3.1% over the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Latest Practicable Date, respectively;

(c) The Final Offer Price represents a premium of approximately 3.1% over the VWAP between the Offer Announcement Date and the Latest Practicable Date; and

(d) The Final Offer Price represents a discount of approximately 3.6% over the last transacted price as at the Latest Practicable Date of S$0.985.

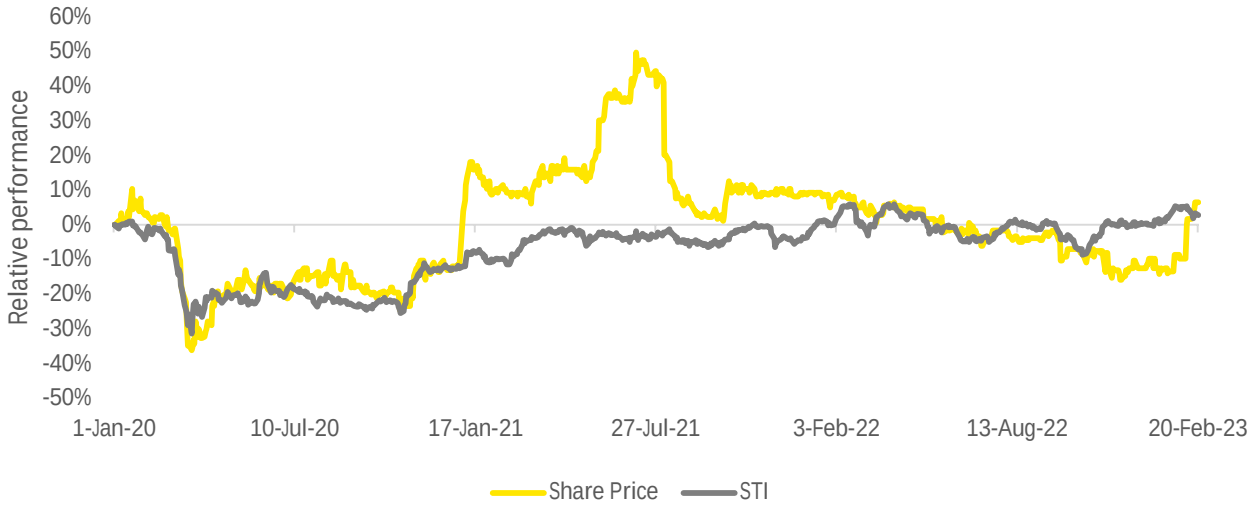
We have also considered the trading liquidity of the Shares. We note the following:

(a) The Shares have low trading liquidity, with average daily traded volume for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Latest Practicable Date representing approximately 0.035%, 0.053%, 0.102% and 0.297% of the total outstanding Shares, respectively;

(b) The number of days on which the Shares were traded on the SGX-ST for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Latest Practicable Date represent approximately 79.2%, 73.0%, 75.8% and 73.7% of the number of market days on the SGX-ST during the respective relevant periods; and

In order to assess the market price performance of the Shares vis-à-vis the general price performances of the Singapore equity market in general, we have compared the market movement of the Shares against the STI for the period from 1 January 2020 and up to the Latest Practicable Date.

Historical Share Price Performance against the STI from 1 January 2020 to the Latest Practicable Date



Source: Capital IQ, rebased to 0% on 1 January 2020

We note that while the price movements of the Shares appear to have overperformed the STI in relative terms over the period between 1 January 2020 the Latest Practicable Date, the Shares had only traded for 88.96% of the total SGX-ST market days during such period.

We note that the announcement of the Offer on the Offer Announcement Date appears to have had an impact on the trading price and volume of the Shares, and the current trading price and volume of the Shares may be supported by the Offer. We also note that the Final Offer Price represents a premium of 3.1% to the VWAP between the Offer Announcement Date and the Latest Practicable Date and a discount of 3.6% to the last transacted price as at the Latest Practicable Date.

We wish to highlight that the analysis on the historical trading performance and liquidity of the Shares serves only as an illustrative guide and should not be relied upon in any way as an indication of the future trading performance of the Shares.

6.4 Comparison of valuation measures of the Company against those of selected listed comparable companies

We note that the Company is a provider of innovative eco-sustainable real estate solutions with a regional presence and two (2) core business segments: (i) E&C, comprising turnkey engineering, full-fledged integrated digital delivery, and project and construction management encompassing design-and-build; and (ii) Real Estate, comprising real estate development, asset and leasing management, and fund management.

Based on our search for comparable listed companies on Capital IQ and other available databases, we recognise that there is no particular listed company that we may consider to be directly comparable to the Company in terms of the composition of the business activities, asset categories, company size, scale of operations, service range, customer base, risk profile, geographical spread of activities, accounting standards and policies used, and such other relevant criteria. However, we have selected companies which we believe are broadly comparable to the Company in terms of scope of business, asset size and geographic market, among others (the "**Comparable Companies**").

The Independent Directors and the Offeror Shareholders should note that any comparison made with respect to the Comparable Companies is for illustrative purposes only, as there is no one company with the exact scope of business and using the exact accounting policies and standards as those of the Company. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of the Company as at the Latest Practicable Date. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive.

Accordingly, for the purposes of our evaluation, we have considered the following Comparable Companies which, in our view (and as explained above), are broadly comparable to the Company:

Selected Comparable Companies / Exchange Location	Brief Business Description	Market Capitalisation (S$ million)
Hock Lian Seng Limited ("**Hock Lian Seng**") / Singapore	Provides civil engineering services to public and private sectors in Singapore. Operates through three segments: civil engineering, properties development, and properties investment. The civil engineering segment's customers include government and government-related bodies. The properties development segment develops properties in the residential and industrial sectors.	148.51
KSH Holdings Limited ("**KSH Holdings**") / Singapore	Operates as a construction builder and contractor for public and private sectors. The company operates through construction, and property development and investment segments. It constructs residential, commercial, hospitality, and mixed-use development projects; and rents and sells properties.	191.56

Selected Comparable Companies / Exchange Location	Brief Business Description	Market Capitalisation (S$ million)
Lian Beng Group Limited ("**Lian Beng**") / Singapore	Operates through four segments: construction, dormitory, investment holding, and property development. The construction segment constructs residential, institutional, industrial, and commercial properties; and undertakes civil engineering projects. This segment also sells construction materials, such as ready-mixed concrete and asphalt premix, and fabricate reinforcement bars; provides engineering and construction services comprising metal works, structural works, and strutting works; and leases and maintains construction machinery and equipment.	262.34
Lum Chang Holdings Limited ("**Lum Chang**") / Singapore	Engages in the construction, project management, and property development and investment activities. The company operates through three segments: construction, property development and investment, and investment holding. The company undertakes construction projects in various areas, which include civil and infrastructure, commercial, hospital, hotels and leisure, industrial, mixed development, institution, and residential properties.	139.38
Wee Hur Holdings Limited ("**Wee Hur**") / Singapore	Engages in building construction, workers' dormitory, property development, and fund management businesses. The company operates through eight segments: building construction, workers' dormitory, property development, corporate, purpose-built student accommodation, fund management, venture capital, and student accommodation operation. It provides various construction services, including new construction, additions and alterations, refurbishment and upgrading, and restoration and conservation of heritage and conservation buildings. Its construction projects comprise residential, commercial, industrial, institutional, religious, restoration, and conservation projects.	188.45

Source: Capital IQ

Valuation Measures of the Company in Comparison with the Valuation Measures of the Comparable Companies

Comparable Companies	Listed Exchange	Market Capitalisation (1) (S$ million)	EV/ EBITDA Ratio(2) (times)	P/E Ratio(3) (times)	P/NAV Ratio(4) (times)
Hock Liang Seng	Singapore	148.51	1.3[5]	6.0	0.6
KSH Holdings	Singapore	191.56	10.4	7.8	0.6
Lian Beng	Singapore	262.34	9.9	5.2	0.3
Lum Chang	Singapore	139.38	*n.m.*	*n.m.*	0.7
Wee Hur	Singapore	188.45	11.4	7.5	0.4
Low			9.9	5.2	0.3
High			11.4	7.8	0.7
Average			10.6	6.6	0.5
Median			10.4	6.8	0.6
BPL – Implied by the Final Offer Price		**297.60**	**13.5**	**22.7**	**0.8**

Source: Capital IQ, company announcements, company reports

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Notes:

(1) Market capitalisation for the Comparable Companies is based on the outstanding number of shares and the closing price as at the Latest Practicable Date as obtained from Capital IQ. Market capitalisation of the Company is approximately S$297.6 million based on the Final Offer Price and the total outstanding Shares of 313,260,631 as at the Latest Practicable Date.

(2) For the Comparable Companies, EV is computed based on the latest available consolidated financial results, except for market capitalisation which is as at the Latest Practicable Date, and EBITDA is computed based on a trailing 12-month basis from the latest available audited and/or unaudited consolidated financial results. EV of the Company is based on the equity consideration of approximately S$297.6 million implied by the Final Offer Price and the Company's latest unaudited consolidated financial results for the financial period ended 30 September 2022 ("**1H2023**"). EBITDA of the Company is computed based on the unaudited consolidated results for the last 12 months ended 30 September 2022.

(3) Net profit attributable to shareholders of the Comparable Companies and the Company are computed on a trailing 12-month basis from the latest available audited and/or unaudited consolidated financial results and the Company's unaudited consolidated results for the last 12 months ended 30 September 2022.

(4) P/NAV ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its consolidated net asset value attributed to the company per share as at the latest available financial results.

(5) Considered as outlier and hence not used in the computation of low, high, average and median.

(6) "***n.m.***" means not meaningful.

Comparison of EV/EBITDA Ratios

The EV/EBITDA Ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cashflow performance and disregards the entity's existing capital structure.

The EV/EBITDA Ratio of the Company implied by the Final Offer Price is above the range of EV/EBITDA Ratios for the selected listed comparable companies.

Comparison of P/E Ratios

The P/E Ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders.

The P/E Ratio of the Company implied by the Final Offer Price is above the range of P/E Ratios of the selected listed comparable companies.

Comparison of P/NAV Ratios

The P/NAV Ratio represents an asset-based relative valuation which takes into consideration the net asset value of a company.

The P/NAV Ratio of the Company implied by the Final Offer Price is above the range of P/NAV Ratios of the comparable companies.

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6.5 Comparison of valuation measures of the Company against those of selected comparable transactions

Based on our search on publicly available databases for transactions involving listed companies in Southeast Asia with similar businesses as the Company and which may be deemed to be comparable to the Proposed Acquisition over the two-year period prior and up to the Latest Practicable Date, we recognise that there is no particular transaction that we may consider to be directly comparable to the Proposed Acquisition in the aspects of the scope of business of the targets, asset size, and geographic market coverage, among others (the "**Comparable Transactions**").

The Independent Directors and the Offeror Shareholders should note that any comparison made with respect to the Comparable Transactions is for illustrative purposes only, and therefore, may not necessarily reflect the perceived or implied market valuation of the Company as at the Latest Practicable Date. In addition, we wish to highlight that the list of Comparable Transactions is by no means exhaustive.

Accordingly, for the purposes of our evaluation, we have considered the following Comparable Transactions which, in our view (and as explained above), are broadly comparable to the Proposed Acquisition:

Date	Target	Country	Acquirer	EV/ EBITDA Ratio (times)	P/E Ratio (times)	P/NAV Ratio (times)
Nov-22	Pesona Metro Holdings Berhad	Malaysia	Kombinasi Emas Sdn Bhd.	16.0	*n.m.*	0.9
Oct-22	Stella Holdings Berhad	Malaysia	Varia Engineering Services Sdn Bhd	*n.m.*	*n.m.*	1.3
Feb-22	Hock Seng Lee Berhad	Malaysia	Hock Seng Lee Enterprise Sdn Bhd	6.5	17.9	0.8
Oct-21	Trendzon Holdings Group Limited	Thailand	Individuals	22.1	*n.m.*	4.5
Jun-21	Lian Beng	Singapore	Ong Sek Chong & Sons Pte Ltd	21.8	9.6	0.3
Low				6.5	9.6	0.3
High				22.1	17.9	4.5
Average				16.6	13.8	1.6
Median				19.0	13.8	0.9
BPL – Implied by the Final Offer Price				**13.5**	**22.7**	**0.8**

Source: Capital IQ, company announcements, company reports

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Comparison of EV/EBITDA Ratios

The EV/EBITDA Ratio of the Company implied by the Final Offer Price is within the range, and below the average and median EV/EBITDA Ratios of the Comparable Transactions.

Comparison of P/E Ratios

The P/E Ratio of the Company implied by the Final Offer Price is above the range of P/E Ratios of the Comparable Transactions.

Comparison of P/NAV Ratios

The P/NAV Ratio of 0.8 times of the Company implied by the Final Offer Price is within the range and lower than the average and median P/NAV Ratios of the Comparable Transactions.

6.6 Comparison with privatisation transactions for companies listed on the SGX-ST

In assessing the Proposed Acquisition, we have also examined recent similar transactions by listed companies on the SGX-ST involving successful privatisation transactions announced and completed in the two-year period prior and up to the Latest Practicable Date, and wherein the offerors had indicated their intentions to privatise the target companies (the "**Precedent Privatisation Transactions**"). Privatisation transactions of companies listed on the SGX-ST are generally carried out by way of general offers pursuant to the Code, schemes of arrangement pursuant to the Companies Act, or voluntary delistings pursuant to the SGX-ST Listing Manual. Our analysis of the Precedent Privatisation Transactions is to illustrate the premiums/discounts represented by each of the respective offer prices over/to the traded prices prior to the announcements of such Precedent Privatisation Transactions. We have also looked at the respective P/NAV Ratios implied by the exit offer price and based on the financial period used in relation to the Precedent Privatisation Transactions.

The Independent Directors and Offeror Shareholders should note that due to the differences in, *inter alia*, business activities, industries, scale of operations, geographical spread of activities, track record and future prospects, accounting standards and policies, any comparison made with respect to the Precedent Privatisation Transactions are for illustrative purposes only. The Precedent Privatisation Transactions are not directly comparable to the terms and conditions of the Proposed Acquisition and/or the Offer. The premium and valuation multiple any offeror is prepared to pay for in any particular offer transaction depend on various factors, including prevailing market conditions and general economic and business risks. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation for the Company. In addition, we wish to highlight that the list of Precedent Privatisation Transactions is by no means exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

Company Name	Announcement Date[1]	Premium/(Discount) of the Offer Price over/(to) Relevant Prices prior to Announcement[1]					P/NAV Ratio (times)
		Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)	
CEI Limited	11 Jan 2021	15.0	18.2	20.6	23.8	26.1	1.9
GL Limited	15 Jan 2021	25.0	28.2	33.3	28.0	9.5	0.7
International Press Softcom Limited	28 Jan 2021	12.5	25.3	32.0	21.6	26.8	1.1
Singapore Reinsurance Corporation Limited	19 Mar 2021	19.8	20.6	20.6	21.9	27.6	0.8
World Class Global Limited	21 Mar 2021	112.1	107.9	107.9	89.2	73.6	1.5
Neo Group Limited	30 Mar 2021	20.0	17.9	14.5	15.4	31.0	2.4
Singapore Press Holdings Limited	30 Mar 2021	57.3	71.5	80.3	94.8	199.2	1.1
Sin Ghee Huat Corporation Ltd	29 Apr 2021	25.6	58.8	58.8	59.8	48.4	0.6-0.7
Top Global Limited	30 Apr 2021	1.3	0.3	7.4	10.2	17.8	0.5
Cheung Woh Technologies Limited	06 May 2021	90.0	89.5	92.9	109.7	141.1	1.2
Dutech Holdings Limited	28 May 2021	74.0	73.3	74.7	73.3	61.1	0.8
Pan Ocean Co., Ltd	14 Jun 2021	8.8	30.8	53.4	67.5	71.1	1.2
Fragrance Group Limited	09 Jul 2021	16.9	19.0	19.0	20.0	21.1	0.7
Roxy-Pacific Holdings Limited	20 Sep 2021	19.8	20.9	23.4	30.4	37.0	0.6
SingHaiYi Group Ltd	09 Nov 2021	8.3	7.3	10.4	18.2	19.4	0.8
Starburst Holdings Limited	10 Nov 2021	4.4	3.9	9.2	12.8	25.3	1.6
United Global Limited	10 Dec 2021	12.5	16.7	16.7	16.2	14.1	1.1
Koufu Group Limited	29 Dec 2021	15.8	14.5	13.6	15.1	15.3	4.0
Shinvest Holding Ltd	16 Feb 2022	12.9	8.5	10.2	10.1	14.3	*n.d.*[2]
Singapore O&G Limited	07 Mar 2022	15.7	14.8	12.2	11.3	11.3	3.3
Hwa Hong Corporation Limited	17 May 2022	37.9	36.1	32.0	22.0	24.6	1.4
TTJ Holdings Limited	20 May 2022	36.1	33.6	28.8	28.0	29.4	0.6
GYP Properties Limited	12 Jul 2022	12.8	15.9	12.0	7.7	9.8	0.6
SP Corporation Limited	20 Aug 2022	169.5	163.7	162.8	156.9	140.5	1.0
Singapore Medical Group Limited	13 Sep 2022	17.1	44.2	46.7	26.0	23.5	1.1
Moya Holdings Asia Limited	14 Sep 2022	41.5	43.8	48.4	48.4	46.0	1.0
MS Holdings Limited	3 Oct 2022	17.7	*n.m.*	25.2	25.5	24.6	0.5
Asian Healthcare Specialists Limited	6 Oct 2022	17.5	18.3	21.3	22.3	19.5	2.1
Low		1.3	0.3	7.4	7.7	9.5	0.5
High		169.5	163.7	162.8	156.9	199.2	4.0
Average		32.8	37.2	38.9	38.8	43.2	1.3
Median		17.6	20.9	24.3	23.1	25.7	1.1
BPL - Implied by the Final Offer Price		**(3.6)**	**3.1**	**4.9**	**5.1**	**4.5**	**0.8**

Source: Capital IQ, company circulars and company reports

Notes:

(1) Market premium/discount is calculated based on the share price on either the last trading date or unaffected day for the given periods, as defined in the respective circulars.

(2) "***n.d.***" means not disclosed.

We note the following with regard to the Precedent Privatisation Transactions:

(a) the discount of 3.6% implied by the Final Offer Price against the last transacted price of the Shares on the Latest Practicable Date is lower than the range of premiums of the Precedent Privatisation Transactions;

(b) the premium of 3.1% implied by the Final Offer Price against the 1-month VWAPs of the Share prior to and including the Latest Practicable Date is within the range and lower than the average and median premiums of the Precedent Privatisation Transactions;

(c) the premiums of 4.9%, 5.1% and 4.5% implied by the Final Offer Price against the 3-month, 6-month and 12-month VWAPs of the Shares prior to and including the Latest Practicable Date are below the range of the Precedent Privatisation Transactions; and

(d) the P/NAV Ratio of 0.8 times implied by the Final Offer Price is within the range and lower than the median and average P/NAV Ratios of the Precedent Privatisation Transactions.

6.7 Other Relevant Considerations

We have also considered the following in our evaluation of the Proposed Acquisition:

6.7.1 The Offeror's intentions in relation to the Company, being a principal subsidiary of the Offeror

The Company is a principal subsidiary of the Offeror, and as such, the Offeror, Directors, Management and the Offeror Shareholders are familiar with the business operations and related risks with respect to the Company.

We note that, as set out in Section 5 of the Offer Announcement, the Offeror intends for the Company to continue to develop and grow the existing businesses of the Company and its subsidiaries. The Offeror and the Company will continue to review, from time to time, the operations of the Company and its subsidiaries as well as the Company's strategic options. The Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the interests of the Offeror and/or the Company.

Saved as disclosed in the Offer Announcement, the Offeror has no current intentions to (i) introduce any major changes to the existing business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the existing employees of the Company or its subsidiaries, in each case, other than in the ordinary and usual course of business.

We also note that, as set out in Section 7 of the Offer Announcement, the Proposed Acquisition is in line with the Offeror's overarching intentions and its ongoing strategic reviews and objective to streamline its investments, businesses, operations and the corporate structure of the BSL Group (including the Company).

It is the Offeror's view that the Proposed Acquisition will allow the Company's management team to focus on rebuilding its business, including the Company's E&C business which has been negatively affected by the COVID-19 pandemic. As a private limited company, the Company would not have the additional obligations that come with being a listed company on the Mainboard of the SGX-ST, including but not limited to, the compliance costs and time dedicated to regulatory and reporting obligations.

Moreover, the Proposed Acquisition will allow the Offeror to simplify the group structure and reduce organisational complexity, providing the Offeror with greater control and flexibility to mobilise and optimise its resources across its businesses. The simplified group structure will allow a sharper focus in operations and increase competitiveness, enhancing shareholder value.

6.7.2 Listing Status and Compulsory Acquisition

We note that, as set out in Section 6 of the Offer Announcement, it is the intention of the Offeror to privatise the Company and delist the Company from the SGX-ST should the option be available to the Offeror. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

The Offeror will not be able to avail itself of the powers of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer.

We also note that, as set out in Section 7.4 of the Offer Announcement, the Offeror is of the view that in maintaining the Company's listing status, the Company incurs additional compliance and associated costs. If the Company is delisted, the Company will be able to (i) dispense with costs associated with complying with listing and other regulatory requirements; and (ii) streamline human resources required for such compliance.

As a principal subsidiary of the Offeror, any cost savings realised by the Company would have a positive financial impact to the Offeror.

6.7.3 The Offer Shares exclude the Shares of the parties acting in concert with the Offeror as at the date of Offer

We note that the Offer Shares exclude the Shares already owned, controlled and agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with the Offeror as at the date of the Offer.

FF Wong, the Chairman & CEO of the Offeror, has an aggregate deemed interest of 74.16% in the Shares of the Company (including Shares held by the Offeror), of which he is deemed interested in 19.28% of the Shares in the Company held through nominees. We note that as FF Wong is a party acting in concert with the Offeror, the Offer does not extend to the Shares that he controls held through nominees (i.e., 19.28% of the Shares in the Company).

In addition, FF Wong and his son, Mr. Wong Yu Loon, in their capacities as directors of the Offeror, have abstained from all decisions and deliberations in connection with the making of the Offer, including the terms thereof.

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6.7.4 The Proposed Acquisition is EPS, NAV per Offeror Share and NTA per Offeror Share accretive

We note that the Proposed Acquisition, which results in the Offeror increasing its stake in the Company, would allow it to simplify the group structure and reduce the organisational complexity, providing the Offeror with greater control and flexibility to mobilise and optimise its resources across its businesses. The simplified group structure will allow a sharper focus in operations and increase competitiveness, enhancing shareholder value.

In order to increase its stake in the Company, an alternative to the Proposed Acquisition that is available to the Offeror is to purchase the Shares from the open market. However, we note that open market purchases may be difficult for the Offeror given the trading liquidity of the Company. As such, the Proposed Acquisition is deemed to be an appropriate mechanism of increasing its interests at the Final Offer Price that is accretive in terms of EPS, NAV per Offeror Share and NTA per Offeror Share based on the *pro forma* financial effects of the Final Offer. We also note that the Final Offer Price represents a discount to the NAV of the Company as at 30 September 2022 based on the *pro forma* financial effects of the Final Offer.

6.7.5 Trading of the Shares following the announcement of the Offer

We note that the announcement of the Offer on the Offer Announcement Date appears to have had an impact on the trading price and volume of the Shares, and the current trading price and volume of the Shares may be supported by the Offer. We also note that the Final Offer Price represents a premium of 3.1% to the VWAP between the Offer Announcement Date and the Latest Practicable Date and a discount of 3.6% to the last transacted price as at the Latest Practicable Date.

We wish to highlight that any analysis on the historical trading performance and liquidity of the Shares serves only as an illustrative guide and should not be relied upon in any way as an indication of the future trading performance of the Shares.

7. OUR OPINION ON THE PROPOSED ACQUISITION

In arriving at our advice to the Independent Directors on the Proposed Acquisition and the making of the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by the Offeror, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

(a) the terms of the Offer, including the Final Offer Price;

(b) the rationale of the Proposed Acquisition and the Offer;

(c) the market quotation and historical trading activity of the Shares;

(d) the comparison of valuation measures of the Company implied by the Final Offer Price against those of the Comparable Companies;

(e) the comparison of valuation measures of the Proposed Acquisition implied by the Final Offer Price against those of the Comparable Transactions;

(f) the comparison of the Proposed Acquisition against the Precedent Privatisation Transactions;

(g) the Offeror's intentions in relation to the Company, being a principal subsidiary of the Offeror;

(h) the Offeror's intention to privatise the Company and delist the Company from the SGX-ST should the option be available to the Offeror;

(i) the Offer Shares excluding the Shares already owned, controlled and agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with the Offeror as at the date of the Offer, including the deemed interest of FF Wong, the Chairman & CEO of the Offeror;

(j) the Final Offer Price representing a premium of 3.1% to the VWAP between the Offer Announcement Date and the Latest Practicable Date and a discount of 3.6% to the last transacted price as at the Latest Practicable Date;

(k) the Final Offer Price representing a discount to the NAV of the Company as at 30 September 2022; and

(l) the Proposed Acquisition being EPS, NAV per Offeror Share and NTA per Offeror Share accretive based on the *pro forma* financial effects of the Final Offer.

Having regard to the considerations set out in this letter and as discussed above, the information available to us as at the Latest Practicable Date (save for the Final Offer Price) and subject to the qualifications made herein, we are of the opinion that, on balance, the Proposed Acquisition by way of the Offer is in the interests of the Offeror Shareholders.

The Independent Directors should note that we have arrived at our opinion based on information made available to us prior to, and including, the Latest Practicable Date, save for the Final Offer Price. Our advice on the Proposed Acquisition cannot and does not take into account any subsequent developments after the Latest Practicable Date (other than the Final Offer Price), as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Proposed Acquisition.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed Acquisition. A copy of this letter may be appended as an appendix to the Final Offer Announcement and certain sections of this letter may be extracted and provided in the Final Offer Announcement.

Whilst a copy of this letter may be appended as an appendix to the Final Offer Announcement and certain sections may be extracted and provided in the Final Offer Announcement, neither the Offeror nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any purpose other than in relation to the Proposed Acquisition and/or the Offer at any time and in any manner without our prior written consent in each specific case.

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For the avoidance of doubt, neither the Offeror nor the Directors shall be prohibited from providing a copy of this letter to any regulatory authority, including but not limited to the SGX-ST and/or the Monetary Authority of Singapore, where requested.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Mah Kah Loon
Chief Executive Officer

Elisa Montano
Associate Partner