



Boustead Projects Limited
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PROPOSED SCRIP DIVIDEND SCHEME

Singapore, 29 June 2017

1. INTRODUCTION

The Board of Directors (the "**Directors**") of Boustead Projects Limited (the "**Company**") is pleased to announce a proposed scrip dividend scheme, which will be called the Boustead Projects Limited Scrip Dividend Scheme (the "**Proposed Scrip Dividend Scheme**"). The terms and conditions of the Proposed Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement (the "**Statement**") which will be appended to the Circular (as defined below).

The Company has made an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the new ordinary shares to be issued, credited as fully paid, pursuant to the Proposed Scrip Dividend Scheme ("**New Shares**"). The approval in-principle of the aforementioned application has been obtained from the SGX-ST on 28 June 2017, subject to the following requirements:

- (a) Compliance with the SGX-ST's listing requirements; and
- (b) A written confirmation that the Proposed Scrip Dividend Scheme complies with Listing Rules 862 and 863 of the Listing Manual of the SGX-ST.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Scrip Dividend Scheme, the New Shares, the Company and/or its subsidiaries. The SGX-ST also accepts no responsibility for any statement contained herein.

The following definitions shall apply throughout this announcement, unless the context otherwise requires:

"**Books Closure Date**" shall mean with respect to a Qualifying Dividend, the date and time to be determined by the Directors on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of Shareholders to that Qualifying Dividend.

"**CDP**" shall mean The Central Depository (Pte) Limited.

"**Circular**" shall mean the circular to be despatched by the Company to Shareholders setting out the details of the Proposed Scrip Dividend Scheme and the

Statement.

"Constitution" shall mean the Memorandum and Articles of Association of the Company currently in force.

"Depositor", "Depository Agent" and "Depository Register" shall have the respective meanings ascribed to them in Section 81SF of the SFA.

"Dividend(s)" shall mean dividend(s) (including any interim, final, special or other dividend(s)) to be paid on the issued Shares (as defined below) as resolved or proposed by the Directors or by the Company in a general meeting.

"Market Day" shall mean a day on which the SGX-ST is open for trading in securities.

"Overseas Members" shall mean Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not provided to the Company or CDP, as the case may be, not later than five (5) Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents;

"Qualifying Dividend(s)" shall mean Dividend(s) to which the Proposed Scrip Dividend Scheme applies, as determined by the Directors.

"Register of Members" shall mean the register of members of the Company.

"SFA" shall mean the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time.

"Shareholders" shall mean registered holders for the time being of the Shares (other than CDP), or in the case of Depositors, Depositors who have Shares entered against their name in the Depository Register.

"Shares" shall mean ordinary shares in the share capital of the Company.

2. RATIONALE AND PURPOSE OF THE PROPOSED SCRIP DIVIDEND SCHEME

The Proposed Scrip Dividend Scheme, if and when adopted, will allow Shareholders to elect to receive Qualifying Dividends in the form of Shares, credited as fully paid-up, instead of cash. As Shareholders would be given the choice of receiving such Dividend payment in cash and/or additional New Shares, Shareholders would thus have greater flexibility in meeting their investment objectives. It will also enable Shareholders to participate in the equity capital of the Company without having to incur costs such as brokerage fees, stamp duty and other related costs. In addition, the Company will benefit from the participation by Shareholders in the Proposed Scrip Dividend Scheme, to the extent that if Shareholders elect to receive a Qualifying Dividend in the form of Shares, the cash which would otherwise be payable in respect of a Dividend may be retained in the Company and used to enlarge its working capital base and/or to fund the growth and expansion of the Company.

3. SUMMARY OF TERMS OF THE PROPOSED SCRIP DIVIDEND SCHEME

The following is a summary of the main features of the Proposed Scrip Dividend Scheme, and should be read in conjunction with the full text of the Proposed Scrip Dividend Scheme Statement which will be set out in the Circular.

The Proposed Scrip Dividend Scheme provides Shareholders with the option to elect to receive New Shares in lieu of part only or all of the cash amount of any Dividend declared on their holding of Shares (excluding New Shares).

All Shareholders are eligible to participate in the Proposed Scrip Dividend Scheme subject to the restrictions on Overseas Members, and except for such other Shareholders or class of Shareholders as the Directors of the Company may in their discretion decide, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, prescribed in the Constitution or otherwise.

Shareholders may elect to participate in respect of part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend and may also make a permanent election to participate in respect of all their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. For the avoidance of doubt, a Shareholder may only make a permanent election to receive Shares in respect of all and not part only of his entitlement to future Qualifying Dividends.

Shareholders receiving two or more Notices of Election may elect to receive New Shares in respect of part only or all of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. Where a permanent election has been made, participating Shareholders may cancel such permanent election and withdraw from the Proposed Scrip Dividend Scheme at any time, subject to the giving of the appropriate notice. However, the cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election should he wish to do so at a later date.

The Directors may, in their absolute discretion, determine that the Proposed Scrip Dividend Scheme will apply to any Qualifying Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Proposed Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day immediately following the Books Closure Date in respect of the particular Dividend. Unless the Directors have determined that the Proposed Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Shareholders in the usual way.

New Shares allotted and issued under the Proposed Scrip Dividend Scheme will

rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Proposed Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Shareholders participating in the Proposed Scrip Dividend Scheme will receive, at or about each Dividend payment date, statements setting out, *inter alia*, the number of New Shares allotted to them under the Proposed Scrip Dividend Scheme. Fractional entitlements to the New Shares will be rounded up to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as may be acceptable to the SGX-ST.

4. HOW TO PARTICIPATE

Participation in the Proposed Scrip Dividend Scheme is optional. A Shareholder wishing to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all (and not part only) of his future Qualifying Dividends to which a notice of election (the "**Notice of Election**") received by him relates should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, as the case may be, to the CDP.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or, as the case may be, the CDP, no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

Shareholders will receive the Qualifying Dividend in cash if they do not elect to participate in the Proposed Scrip Dividend Scheme or a duly completed Notice of Election is not received by the Company by the date specified by the Directors in respect of that Qualifying Dividend.

Shareholders do not need to take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

5. NOTE TO SHAREHOLDERS

The Company's Shares are currently traded in board lots of 100 Shares. A Shareholder who elects to receive New Shares *in lieu* of part only or the whole cash amount of the Qualifying Dividend may receive such New Shares in odd lots. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) share.

The attention of Shareholders is drawn to Rule 14 of the Singapore Code on Takeovers and Mergers (the "**Take-over Code**"). In particular, a Shareholder should

note that he may be under an obligation to extend a mandatory offer for the Company, if:

- (a) he acquires, by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company, and he or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights of the Company by participating in the Proposed Scrip Dividend Scheme in relation to any Qualifying Dividend or otherwise.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under the Take-over Code as a result of any acquisition of Shares through their participation in the Proposed Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity.

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Proposed Scrip Dividend Scheme or the tax consequences of any election made by Shareholders. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Proposed Scrip Dividend Scheme Statement as set out in Appendix 1 to this announcement.

As a general indication, however, it is understood that as at the date of this announcement, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Dividends received will not be altered, nor is there any tax advantage to be gained, by reason of having elected to participate in the Proposed Scrip Dividend Scheme.

6. APPROVALS FOR THE PURPOSES OF IMPLEMENTING THE PROPOSED SCRIP DIVIDEND SCHEME

Pursuant to Rule 862 of the Listing Manual of the SGX-ST, an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme which enables Shareholders to elect to receive shares in lieu of the cash amount of any dividend and the approval of Shareholders will not be required.

The Constitution allows Shareholders to elect to receive Dividends in the form of New Shares (credited as fully paid-up) in lieu of cash.

The allotment and issue of the New Shares under the Proposed Scrip Dividend Scheme will be subject to the approval of Shareholders, pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore, at a forthcoming extraordinary general meeting of the Company to be convened on a date to be determined.

Further details of the Proposed Scrip Dividend Scheme and the Statement will be set out in the Circular.

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 the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, electronics, food processing, healthcare, high-tech manufacturing, lifestyle, logistics, oil & gas, petrochemical, precision engineering, R&D, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the U.S. Green Building Council's Leadership in Energy & Environmental Design 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 health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

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