

CIRCULAR DATED 9 JULY 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Boustead Projects Limited, you should immediately forward this Circular, the notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



BOUSTEAD PROJECTS LIMITED

(Incorporated in Singapore)

(Company Registration Number: 199603900E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (2) THE PROPOSED GRANT OF AN AWARD UNDER THE BOUSTEAD PROJECTS RESTRICTED SHARE PLAN 2016 TO MR WONG YU WEI, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER OF THE COMPANY**

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|---|
| Last date and time for lodgment of Proxy Form | : | 24 July 2018 at 11.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 26 July 2018 at 11.30 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | Nicoll 3, Level 3
Suntec Singapore International Convention and Exhibition Centre
1 Raffles Boulevard, Suntec City
Singapore 039593 |

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:-

- “ACRA”** : Accounting and Corporate Regulatory Authority.
- “Approval Date”** : Has the meaning ascribed to it in paragraph 2.2(a) of this Circular.
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) In relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Average Closing Price”** : Has the meaning ascribed to it in paragraph 2.2(d)(iii) of this Circular.
- “Award”** : An award of Shares granted under the Boustead Projects RSP 2016.
- “Board”** : The Board of Directors of the Company as at the date of this Circular.
- “Boustead Projects RSP 2016”** : The Boustead Projects Limited restricted share plan approved by Shareholders at the EGM on 28 July 2016, as may be amended or modified from time to time.
- “CDP”** : The Central Depository (Pte) Limited.
- “Circular”** : This circular to Shareholders dated 9 July 2018.
- “Committee”** : The committee comprising Directors who are duly authorised and appointed by the Board to administer the Boustead Projects RSP 2016.
- “Companies Act”** : Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “Company”** : Boustead Projects Limited.
- “Constitution”** : The memorandum and articles of association of the Company currently in force.
- “control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

DEFINITIONS

“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder of the Company); or (b) in fact exercises control over the Company, as defined under the Listing Manual.
“Directors”	:	The directors of the Company as at the date of this Circular.
“EGM”	:	Extraordinary General Meeting.
“EPS”	:	Earnings per Share.
“Executive Employee”	:	A confirmed employee of any entity within the Group fulfilling at least an executive role, selected by the Committee to participate in the Boustead Projects RSP 2016.
“FY”	:	Financial year ended 31 March.
“Group”	:	The Company and its subsidiaries.
“immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
“Latest Practicable Date”	:	18 June 2018, being the latest practicable date prior to the printing of this Circular.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Maximum Price”	:	Has the meaning ascribed to it in paragraph 2.2(d)(ii) of this Circular.
“month”	:	A calendar month.
“Notice of EGM”	:	The notice of EGM as set out in page 24 of this Circular.
“NTA”	:	Net tangible assets.
“Off-Market Share Purchase”	:	Has the meaning ascribed to it in paragraph 2.2(c)(i)(2) of this Circular.
“On-Market Share Purchase”	:	Has the meaning ascribed to it in paragraph 2.2(c)(i)(1) of this Circular.
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular.
“Register of Members”	:	Register of members of the Company.
“Relevant Period”	:	The period commencing from the date on which the last annual general meeting was held and expiring on the date on which the next annual general meeting is held or is required by law to be held, or the date on which the purchases of Shares under a Share Buy-Back Mandate are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting.
“Rule 14”	:	Has the meaning ascribed to it in paragraph 2.10(a) of this Circular.
“SIC”	:	The Securities Industry Council of Singapore.

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“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time.
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“Share Buy-Back”	: The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.
“Share Buy-Back Mandate”	: A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular, the provisions of the Companies Act (including the rules and regulations promulgated thereunder), and the Listing Rules.
“Shareholders”	: 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”	: Ordinary shares in the share capital of the Company.
“subsidiary”	: A corporation which is deemed to be a subsidiary of another corporation within the meaning of Section 5 of the Companies Act.
“subsidiary holdings”	: Shares held by subsidiaries of the Company in accordance with the Companies Act.
“Substantial Shareholder”	: A person (including a corporation) who has an interest in not less than five (5) per cent. of the issued voting shares of the Company.
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time.
“S\$” and “cents”	: Singapore dollars and cents, respectively.
“%” or “per cent.”	: Percentage or per centum.

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

DEFINITIONS

BOUSTEAD PROJECTS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Directors:

Mr John Lim Kok Min (*Chairman & Independent Non-Executive Director*)
Mr Wong Yu Wei (Huang Youwei) (*Deputy Chairman & Executive Director*)
Mr Chu Kok Hong @ Choo Kok Hong (*Managing Director & Executive Director*)
Mr Chong Lit Cheong (*Independent Non-Executive Director*)
Mr James Lim Jit Teng (*Independent Non-Executive Director*)

Registered Office:

82 Ubi Avenue 4, #07-01
Edward Boustead Centre
Singapore 408832

9 July 2018

To: The Shareholders of Boustead Projects Limited

Dear Sir/Madam,

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (2) **THE PROPOSED GRANT OF AN AWARD UNDER THE BOUSTEAD PROJECTS RESTRICTED SHARE PLAN 2016 TO MR WONG YU WEI, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER OF THE COMPANY**

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to be held on 26 July 2018 to seek the approval of Shareholders in relation to the following matters:-
 - (a) the proposed renewal of the Share Buy-Back Mandate to authorise the Company to purchase or acquire its Shares; and
 - (b) the proposed grant of an Award under the Boustead Projects RSP 2016 to Mr Wong Yu Wei, an Associate of a Controlling Shareholder of the Company.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the above proposals to be tabled at the EGM. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.
- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

2.1 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval of its shareholders to do so at a general meeting of its shareholders. It is also a requirement under the Listing Manual that an issuer which wishes to purchase its own shares has to obtain approval from its shareholders

LETTER TO SHAREHOLDERS

to do so at a general meeting of its shareholders. In this regard, the approval for the adoption of the Share Buy-Back Mandate was previously granted by the Shareholders at an EGM held on 27 July 2017.

The Share Buy-Back Mandate will provide the Directors with the ability to enhance Shareholders' value by providing them with the flexibility to purchase or acquire Shares as and when they are of the view that this would be in the best interests of the Company. In addition, the Share Buy-Back Mandate will allow the Directors to improve the return on equity and will, depending on the market conditions, lead to an enhancement of the EPS and the NTA per Share of the Company. The Share Buy-Back Mandate will also allow the Directors to exercise greater control over the Company's share capital structure and dividend payout.

The Share Buy-Back Mandate would give the Company a relatively expedient and cost effective mechanism to facilitate the return of surplus cash reserves over and above its ordinary capital requirements. The Directors are also of the view that the Share Buy-Back Mandate will provide them with the means to mitigate short-term volatility in the price of the Shares, offset the effects of short-term speculation and bolster the confidence of investors and Shareholders.

The Share Buy-back Mandate will enable the Directors to utilise the Shares which are purchased or acquired thereunder and held as treasury shares to be sold for cash, transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, or issued to employees as a form of compensation, which may be less dilutive than if new Shares were issued for this purpose.

The Company will only purchase or acquire Shares as and when the circumstances permit and provided that it will be beneficial to the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Company as a whole and/or affect the listing status of the Company on the SGX-ST.

It should be noted that there is no assurance that the proposed Share Buy-Back Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained in the longer term.

2.2 Authority and Limitations

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buy-Back Mandate, if approved, are set out below:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Pursuant to Rule 882 of the Listing Manual, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the issued share capital of the Company, ascertained as at the date of the EGM at which the Share Buy-Back Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction. For purposes of calculating the percentage of issued Shares above, treasury shares and subsidiary holdings will be disregarded.

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For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 309,315,765 Shares (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the EGM, not more than 30,931,577 Shares (representing ten per cent. (10%) of the Shares as at that date excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

(b) Duration of Authority

The purchase or acquisition of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earlier of:

- (i) the conclusion of the next annual general meeting;
- (ii) the date by which such annual general meeting is required by law to be held;
- (iii) the date on which the Share Buy-Backs are carried out to the full extent mandated pursuant to the Share Buy-Back Mandate; or
- (iv) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting.

The Share Buy-Back Mandate may be renewed at each annual general meeting or such other general meeting of the Company. When seeking the approval of Shareholders for such renewal, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

(c) Manner of Share Buy-Backs

- (i) Pursuant to Rule 882 of the Listing Manual, Share Buy-Backs may be made by way of:
 - (1) on-market share purchases (“**On-Market Share Purchase**”), transacted on the SGX-ST through the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (2) off-market share purchases (“**Off-Market Share Purchase**”) effected in accordance with an equal access scheme pursuant to Section 76C of the Companies Act. The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Companies Act and the Listing Rules as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme.
- (ii) An Off-Market Share Purchase scheme must, however, satisfy all the following conditions:
 - (1) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

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- (2) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (3) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.
- (iii) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:
 - (1) the terms and conditions of the offer;
 - (2) the period and procedures for acceptance;
 - (3) the reasons for the proposed share buy-back;
 - (4) the consequences, if any, of the share buy-back by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (5) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (6) details of any share buy-back made by the Company in the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum Purchase Price

- (i) The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.
- (ii) However, the purchase price to be paid for the Shares must not exceed:
 - (1) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below); and
 - (2) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price (as defined below),

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(the “**Maximum Price**”) in either case, excluding related expenses of the On-Market Share Purchase or Off-Market Share Purchase (as the case may be).

(iii) For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

2.3 Status of Purchased or Acquired Shares

(a) **Cancellation**

Shares that are purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately upon purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and (where applicable) certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased or acquired by the Company or hold such Shares as treasury shares, depending on whether it is in the interests of the Company to do so. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

(b) **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(i) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. In the event that the Company holds more than ten per cent. (10%) of the total number of its Shares as treasury shares, the Company shall cancel or dispose of the excess treasury shares in the manner set out under paragraph 2.3(b)(iii) below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

LETTER TO SHAREHOLDERS

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed.

A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (1) sell the treasury shares for cash;
- (2) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (3) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (4) cancel the treasury shares; or
- (5) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

The Board shall lodge with ACRA within 30 days of the cancellation or disposal of treasury shares the notice of the cancellation or disposal of treasury shares in the prescribed form with such particulars as may be required in the form, together with payment of the prescribed fee.

2.4 Source of Funds

The Company may only apply funds for Share Buy-Backs as provided in the Constitution and in accordance with the applicable laws in Singapore. Only funds legally available for purchasing Shares in accordance with the Companies Act shall be utilised. Under the Companies Act, any purchase or acquisition of the Shares may be made out of the Company's distributable profits which are available for payment as dividends or using capital if the Company is solvent.

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Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if -
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of liabilities that are reasonable in the circumstances. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any claims the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company may use internal resources and/or external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. However, in considering the option of external financing, the Board will particularly consider the prevailing gearing level of the Company. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company and the prevailing market conditions.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity, gearing levels and capital adequacy position of the Group would be materially adversely affected.

2.5 Financial Effects

(a) **General**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the total amount of the purchase price (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**") paid by the Company for the purchase or acquisition of Shares is made out of profits, such Purchase Price will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the Purchase Price paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

LETTER TO SHAREHOLDERS

Where the Company chooses not to hold the purchased Shares in treasury, such Shares shall be cancelled. The Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the Purchase Price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total number of issued Shares will remain unchanged.

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2018 and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buy-Back Mandate would authorise the Company to buy-back up to ten per cent. (10%) of the Company's issued Shares, the Company may not necessarily buy back, or be able to buy back, ten per cent. (10%) of the issued Shares in full.

(b) Financial Effects of the Share Buy-Back Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Buy-Back Mandate on the NTA and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased or acquired are held in treasury or cancelled.

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Purely for illustrative purposes, on the basis of 309,315,765 Shares in issue (excluding 10,684,235 shares held as treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of the share capital of the Company is effected on or prior to the EGM, the purchase by the Company of ten per cent. (10%) of its issued Shares will result in the purchase of 30,931,577 Shares.

In the case of an On-Market Share Purchase by the Company and assuming that the Company purchases or acquires 30,931,577 Shares at the Maximum Price of S\$0.87 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition is approximately S\$26,859,434.

LETTER TO SHAREHOLDERS

In the case of an Off-Market Share Purchase by the Company and assuming that the Company purchases or acquires 30,931,577 Shares at the Maximum Price of S\$0.99 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition is approximately S\$30,696,497.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy-Back Mandate had been effective on 31 March 2018; and
- (ii) such Share purchases are funded solely by internal resources and/or borrowings,

the financial effects on the audited consolidated financial results of the Group for FY2018, are set out below:

Group			
As at 31 March 2018	Before Share Buy-back S\$'000	After Share Buy-back by way of On-Market Share Purchase S\$'000	After Share Buy-back by Off- Market Share Purchase S\$'000
Share capital and Reserves	244,101	217,242	213,405
Shares held in treasury	(8,885)	(35,744)	(39,581)
NTA ⁽¹⁾	244,101	217,242	213,405
Current assets	240,518	213,659	209,822
Current liabilities	118,952	118,952	118,952
Working capital	121,566	94,707	90,870
Total borrowings ⁽²⁾	70,504	70,504	70,504
Profit attributable to owners of the Company	29,151	29,151	29,151
Number of Shares, excluding treasury shares ('000)	308,906	277,974	277,974
 Financial Ratios			
NTA per share (cents)	79.0	78.2	76.8
Gearing (times) ⁽³⁾	0.3	0.3	0.3
Current Ratio (times) ⁽⁴⁾	2.0	1.8	1.8
EPS (cents) ⁽⁵⁾	9.4	10.5	10.5

Notes:

- (1) NTA refers to share capital and reserves less intangible assets.
- (2) Total borrowings refer to borrowings from financial institutions.
- (3) Gearing ratio equals total borrowings divided by share capital and reserves.
- (4) Current ratio means current assets divided by current liabilities.
- (5) EPS equals profit attributable to owners of the Company divided by the total number of Shares, excluding treasury shares as at 31 March 2018.

The financial effects set out above are for illustrative purposes only. It should also be noted that the purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate would only be made in circumstances where it is considered to be in the best interests of the Company. Although the Share Buy-Back

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Mandate would authorise the Company to purchase up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired in treasury.

The Directors emphasize that they do not propose to exercise the Share Buy-Back Mandate to the extent that it will have a material adverse impact on the financial position of the Group. The Directors will be prudent in exercising the Share Buy-Back Mandate only to such extent which the Directors believe will achieve benefits to the Group and its Shareholders from time to time, giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

(c) Tax implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Buy-Back by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.6 Reporting Requirements

The Companies Act and the Listing Rules require the Company to make reports in relation to the Share Buy-Back Mandate as follows:

- (a) within 30 days of the passing of a Shareholders' resolution to approve purchases or acquisitions of Shares by the Company, the Company must lodge a copy of such resolution with ACRA;
- (b) the Company must notify ACRA within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification in the form as may be prescribed by ACRA shall include details of the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required; and
- (c) purchases of Shares must be reported to the SGX-ST in the forms prescribed by the Listing Rules and announced to the public in the case of On-Market Share Purchases, not later than 9.00 a.m. on the Market Day following the day of purchase or acquisition of any of its Shares and in the case of Off-Market Share Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company.

2.7 Suspension of Buy-Back of Shares

The Listing Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time(s). However, as the Company would be considered an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been

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publicly announced. In particular, the Company will not purchase any Shares during the period commencing two (2) weeks before the announcement of the Company's results for each of the first three (3) quarters of the financial year, and one (1) month before the announcement of the Company's annual (full-year) results, as the case may be, and ending on the date of announcement of the relevant results.

2.8 Listing Status

The Listing Rules require a listed company to ensure that at least ten per cent. (10%) of equity securities of any class that is listed is at all times held by the public. The "public", as defined in the Listing Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, there is a public float of 90,284,985 Shares representing approximately 29.19% of the issued Shares (excluding treasury shares). Assuming the Company exercises the Share Buy-Back Mandate in full and purchases the maximum of ten per cent. (10%) of its Shares through On-Market Share Purchases from the public, the public float would be reduced to approximately 21.32% of the issued Shares (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Buy-Backs up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

In undertaking any Share Buy-Back, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share Buy-Backs will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of Shares.

2.9 Share Buy-Backs during the last 12 months

In the last 12 months preceding the Latest Practicable Date, the Company had purchased 11,131,100 Shares by way of On-Market Share Purchases pursuant to the Share Buy-Back Mandate granted at the EGM held on 27 July 2017. The highest price paid was S\$0.88 per Share and the lowest price paid was S\$0.80 per Share. The total consideration paid for all the purchases was S\$8,935,059.77.

2.10 Take-over Code implications

(a) **Obligation to make a take-over offer**

Pursuant to Appendix 2 of the Take-over Code, an increase of a shareholder's proportionate interest in the voting rights of the Company as a result of any purchase or acquisition of Shares by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a person will incur an obligation to make a mandatory take-over offer for the Company if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30%

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and 50% of the Company's voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.

If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following persons to be acting in concert, namely:

- (i) a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts); and
- (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

2.11 Effect of Rule 14 and Appendix 2 of the Take-over Code

The effect of Rule 14 and Appendix 2 of the Take-over Code is that:

- (a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and persons acting in concert with them would increase to 30% or more, or if the voting rights of such Directors and persons acting in concert with them fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and persons acting in concert with them would increase by one per cent. (1%) in any period of six (6) months; and
- (b) a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

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The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

2.12 Application of the Take-over Code

The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in Paragraph 4 below of this Circular.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the Share Buy-backs by the Company of the maximum limit of ten per cent. (10%) of the total number of issued Shares as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share buy-backs or acquisitions by the Company pursuant to the Share Buy-back Mandate.

3. **THE PROPOSED GRANT OF AN AWARD TO MR WONG YU WEI, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER OF THE COMPANY**

3.1 Background

The Boustead Projects RSP 2016 was previously approved by Shareholders at an EGM held on 28 July 2016.

The main objective of the Boustead Projects RSP 2016 is to motivate Executive Employees to maximise shareholders' returns, attract and retain key talent and align employee compensation with value created to Shareholders. In addition, the Boustead Projects RSP 2016 will allow the Company to offer more competitive incentives and remuneration packages in order to motivate Participants to optimize their performance standards and efficiency and maintain a high level of contribution to the Company, and to retain key employees whose contributions are essential to the growth and success of the Company.

The Directors are of the view that employees and directors of the Group who are also Associates of Controlling Shareholders should be remunerated for their contribution to the Group on the same basis as other employees and directors of the Group who are not Associates of Controlling Shareholders. Although Associates of Controlling Shareholders already have shareholding interest in the Company, allowing Associates of Controlling Shareholders to participate in the Boustead Projects RSP 2016 will ensure that they are equally entitled to take part and benefit from the Boustead Projects RSP 2016. The Boustead Projects RSP 2016 is intended to be part of the remuneration package for employees and directors of the Group, and Directors are of the view that employees and Directors who are Associates of Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholding in the Company. The Directors are of the view that the extension of the Boustead Projects RSP 2016 to Associates of Controlling Shareholders will encourage such Associates to remain in the Company's employ and continue to serve the Company in the long term.

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As at the Latest Practicable Date, 137,453 Shares were previously awarded to Mr Wong Yu Wei, an Associate of a Controlling Shareholder, on 23 October 2017 under the Boustead Projects RSP 2016.

3.2 Safeguards

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations in respect of Award(s) to be granted to the Associates of Controlling Shareholders and the terms and conditions attached to such Award(s). The aggregate number of Shares over which the Committee may grant Awards to Controlling Shareholders and their Associates under the Boustead Projects RSP 2016, shall not exceed 25% of the Shares available under the Boustead Projects RSP 2016, Provided Always that the number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Boustead Projects RSP 2016.

Specific approval of the independent Shareholders is required for the grant of Award(s) to the Associates of Controlling Shareholders as well as the actual number of and terms of such Award(s). In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Award(s) and the terms of Award(s) to be granted to the Associates of Controlling Shareholders will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of the Associates of Controlling Shareholders in the Boustead Projects RSP 2016.

3.3 Proposed Participation of Mr Wong Yu Wei in the Boustead Projects Restricted Share Plan 2016

At the EGM held on 28 July 2016, the proposed participation of Mr Wong Yu Wei, an Associate of a Controlling Shareholder, in the Boustead Projects RSP 2016 was approved.

3.4 Specific Approval

Under the Listing Rules and the rules of the Boustead Projects RSP 2016, as and when the Company proposes to grant any Awards to an Associate of a Controlling Shareholder who is otherwise eligible to participate in the Boustead Projects RSP 2016, the Company will seek the approval from the independent Shareholders for the actual number of and terms of such Award(s).

3.5 Rationale and Justification for grant of Award to Mr Wong Yu Wei

Mr Wong Yu Wei is the son of Mr Wong Fong Fui, and is therefore considered to be an Associate of Mr Wong Fong Fui.

Mr Wong Yu Wei joined the Company in 2009 and he currently holds the position of Deputy Chairman and Executive Director. In his current role, Mr Wong Yu Wei is responsible for managing real estate investments, legal matters, development and execution of strategic alliances and joint ventures, as well as expanding business overseas.

The Company believes that Mr Wong Yu Wei will continue to make vital contributions towards the future development and further success of the Group. Under his management, the Group has successfully expanded its business over the years.

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The Directors, having taken into consideration the financial performance of the Group, the prevailing remuneration package of Mr Wong Yu Wei, his responsibilities, length of service, past and present contributions and potential for future development and contribution towards the long-term objectives of the Group, are of the view that the proposed grant of an Award to Mr Wong Yu Wei is fair and is consistent with the Company's objectives to motivate employees to contribute to the long-term growth and profitability of the Group.

Mr Wong Yu Wei has been instrumental in directing and overseeing the expansion of the overseas operations of the Company in China, Indonesia, Malaysia and Vietnam. He also plays a vital role in assisting the Managing Director of the Company in securing and executing contracts from various multinational clients.

Mr Wong Yu Wei received remuneration of between S\$500,000 and S\$749,999 for the year ended 31 March 2018, comprising largely salary and performance bonus. The Directors are of the view that the proposed Award to Mr Wong Yu Wei (in addition to any monetary performance bonus he has received) is fair for the reasons set out in the preceding paragraphs, and the proposed Award will further align the interests of Mr Wong Yu Wei with the interests of Shareholders and promote greater dedication and instil loyalty in him and encourage him to better identify with the long-term growth and prosperity of the Group. This will also motivate Mr Wong Yu Wei to optimize his performance standards and efficiency and maintain a high level of contribution to the Group.

3.6 Proposed Terms of Award to Mr Wong Yu Wei

For the reasons set out above, it is proposed that approval be given to the Directors to grant an Award to Mr Wong Yu Wei on the following terms:

Proposed Award Date : At any time within six (6) months from the date of the EGM

Proposed Number of Shares Comprised in the Proposed Award : 215,790

The Award on the terms as set out above is consistent with the purposes of the Boustead Projects RSP 2016.

3.7 Limits of Grant of Award

As at the Latest Practicable Date, the number of issued Shares is 309,315,765 Shares. Pursuant to the terms of the Boustead Projects RSP 2016, the maximum number of Shares granted under the Boustead Projects RSP 2016 shall not exceed 15% of the total issued Shares (excluding treasury shares), being 46,397,365 Shares.

The proposed Award to be granted to Mr Wong Yu Wei amount to an aggregate of up to 215,790 Shares (being in total approximately 0.47% of the aggregate number of Shares which may be granted pursuant to the Boustead Projects RSP 2016 as at the Latest Practicable Date).

As at the Latest Practicable Date, Mr Wong Yu Wei owns 574,870 Shares. Upon completion of the proposed grant of Award, Mr Wong Yu Wei would own 790,660 Shares (representing 0.26% of the issued share capital of the Company as at the Latest Practicable Date).

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4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Company's register of interest of Directors and register of Substantial Shareholders respectively, as at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate, assuming (a) the Company purchases or acquires the maximum amount of ten per cent. (10%) of the total number of issued Shares, and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or in which they are deemed interested, are as follows:

	Before Share Buy-Back (No. of Shares)			Before Share Buy-Back (%) ⁽¹⁾	After Share Buy-Back (%) ⁽²⁾
	Direct Interest	Deemed Interest	Total Interest		
<u>Directors</u>					
John Lim Kok Min	169,296	-	169,296	0.05	0.06
Wong Yu Wei (Huang Youwei)	557,070	17,800	574,870	0.19	0.21
Chu Kok Hong @ Choo Kok Hong	492,048	1,578	493,626	0.16	0.18
James Lim Jit Teng	-	1,113,624	1,113,624	0.36	0.40
Mr Chong Lit Cheong	-	-	-	-	-
Dr Tan Khee Giap ⁽³⁾	-	-	-	-	-
<u>Substantial Shareholders (other than Directors)</u>					
Boustead Singapore Limited	163,861,009	-	163,861,009	52.98	58.86
Mr Wong Fong Fui ⁽⁴⁾	-	224,242,603	224,242,603	72.50	80.55

Notes:-

- (1) Based on 309,315,765 Shares in issue (excluding treasury shares and subsidiary holdings) as of the Latest Practicable Date.
- (2) Based on 278,384,188 Shares in issue (excluding treasury shares and subsidiary holdings), assuming that the Company purchases the maximum number of 30,931,577 Shares under the Share Buy-Back Mandate.
- (3) Dr Tan Khee Giap resigned as a Director of the Company on 28 June 2018.
- (4) Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing 17.03% of the total issued share capital of the Company, held through nominees. In addition, Mr Wong Fong Fui, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:-
 - (i) 163,861,009 shares (representing approximately 52.98%) held by Boustead Singapore Limited ("BSL"); and
 - (ii) 7,691,260 shares (representing approximately 2.49%) held by Bright Assets Enterprises Limited.

5. DIRECTORS' RECOMMENDATION

5.1 Proposed renewal of the Share Buy-Back Mandate

The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 1, relating to the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

5.2 Proposed grant of an Award to Mr Wong Yu Wei

The Directors (other than Mr Wong Yu Wei who has abstained from making a recommendation) are of the view that the proposed grant of an Award pursuant to the Boustead Projects RSP 2016 to Mr Wong Yu Wei, an Associate of the Controlling Shareholder, Mr Wong Fong Fui, is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 2, relating to the grant of an Award to Mr Wong Yu Wei.

6. **ABSTENTION FROM VOTING**

Mr Wong Fong Fui and each of his Associate (including Mr Wong Yu Wei) shall abstain, and have also undertaken to ensure that their respective Associates shall abstain, from voting in respect of Resolution 2 to be proposed at the EGM. Mr Wong Fong Fui and Mr Wong Yu Wei shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the said resolution unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which the votes are to be cast in respect of such resolution.

7. **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 24 of this Circular, will be held at Nicoll 3, Level 3, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 26 July 2018 at 11.30 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the resolutions (with or without any modification) set out in the Notice of EGM.

8. **ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

9. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate and the proposed grant of an Award under the Boustead Projects RSP 2016 to Mr Wong Yu Wei, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named

LETTER TO SHAREHOLDERS

source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 March 2018.

Yours faithfully

BOUSTEAD PROJECTS LIMITED

Mr John Lim Kok Min
Chairman & Independent Non-Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

BOUSTEAD PROJECTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199603900E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the members of the Company will be held on Thursday, 26 July 2018 at Nicoll 3, Level 3, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 at 11.30 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without any modification, the resolutions set out below.

All capitalised terms used in this Notice of Extraordinary General Meeting which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 9 July 2018.

RESOLUTION 1:

Ordinary Resolution – The Proposed Renewal of the Share Buy-Back Mandate

“That:

- (a) for the purposes of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market share purchases (“**On-Market Share Purchase**”), transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market share purchases (“**Off-Market Share Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable (the “**Share Buy-Back Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;
- (d) for the purposes of this Ordinary Resolution:

“Prescribed Limit” means ten per cent. (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date of the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 2:

Ordinary Resolution – The Proposed Grant of an Award under the Boustead Projects RSP 2016 to Mr Wong Yu Wei, an Associate of a Controlling Shareholder of the Company

“That approval be and is hereby given for the grant of an Award of 215,790 Shares to Mr Wong Yu Wei, an Associate of a Controlling Shareholder of the Company, pursuant to the Boustead Projects RSP 2016.”

By Order of the Board

Tay Chee Wah
Company Secretary
Singapore
9 July 2018

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Extraordinary General Meeting (“**EGM**”) is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. This instrument of proxy must be signed by the appointer or his/her duly authorised attorney or, if the appointer is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.
4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such body corporate.
5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for holding the EGM.
6. Please insert in the space in the instrument of proxy provided the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.
7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, not properly completed, or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of a member whose shares are deposited with the Central Depository (Pte) Limited (“**CDP**”), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time fixed for holding the above EGM, as certified by CDP to the Company.
8. **PERSONAL DATA PRIVACY** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and

NOTICE OF EXTRAORDINARY GENERAL MEETING

compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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BOUSTEAD PROJECTS LIMITED

(Company Registration No. 199603900E)
(Incorporated in the Republic of Singapore)

Important:

1. For investors who have used their CPF monies to buy shares in the capital of Boustead Projects Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

I/We _____ (NRIC/Passport No.) _____

of _____ (Address)

being a Shareholder/Shareholders of Boustead Projects Limited (the "Company") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and / or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/her/them***, the Chairman of the Extraordinary General Meeting (the "EGM") of the Company as my/our*** proxy/proxies*** to attend and to vote for me/us*** on my/our*** behalf at the EGM of the Company to be held at Nicoll 3, Level 3, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 26 July 2018 at 11.30 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place), and at any adjournment thereof.

		For**	Against**
1.	Resolution 1: Ordinary Resolution – To approve the proposed renewal of the Share Buy-Back Mandate		
2.	Resolution 2: Ordinary Resolution – To approve the proposed grant of an award of 215,790 Shares to Mr Wong Yu Wei		

** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

In the absence of specific directions, your proxy/proxies may vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2018

	No. of shares
CDP Register	
Register of Members	

Signature(s) of Shareholder(s) or Common Seal

***Delete accordingly

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



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8. Agent Banks acting on the request of CPF Investors who wish to attend the EGM as Observers are required to submit in writing, a list with details of the investor’s name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary’s Office at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832, not less than 48 hours before the time fixed for holding the EGM.
9. **PERSONAL DATA PRIVACY** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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