

The Business Times

Published 25 May 2018

Boustead buys entire WhiteRock medical group for S\$19m

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Singapore

BOUSTEAD Singapore announced on Thursday it has entered into a sale-and-purchase agreement with WhiteRock Medical Company (WhiteRock MedCo) to fully acquire WhiteRock Incorporation (WRI), a group of 16 healthcare corporations operating in Singapore, China, Hong Kong, Malaysia and Thailand, for S\$19.02 million.

Boustead said the acquisition's value was arrived at after taking into account WRI's adjusted unaudited net asset value and net tangible asset value, as well as its historical financial performance and future business prospects.

With a team of 71 employees across its Asian operations, WRI describes itself as a group developing and working with industry partners in "advancing transformational assistive, mobility, wireless and homecare technologies in hospital long-term care and direct to patient markets".

Engineering services firm Boustead believes the WRI acquisition – which it will fund via internal cash resources – is of a "reasonable valuation" for the healthcare industry, and called WRI's healthcare distribution network "effective".

WRI's focus in high-growth areas will also help fill an underserved gap in the market,

Boustead said, adding that the acquisition will also bolster its own financial position.

The acquisition is dependent on a successful restructuring of WhiteRock MedCo's global business and its shareholder approval.

Boustead highlighted in its SGX filing that its independent non-executive director Goh Boon Seong holds 1.88 per cent in WhiteRock MedCo, and a further 1.56 per cent of WhiteRock MedCo's share capital.

He is also chief executive of WhiteRock MedCo, a role he will continue to hold after the acquisition.

Boustead added that Mr Goh, who is also WhiteRock MedCo's founder, has advanced loans of some S\$223,000 to WhiteRock MedCo and S\$488,000 to a subsidiary of WhiteRock MedCo in his capacity as a director of these companies.

He also holds convertible loans of S\$174,151 in a subsidiary of WhiteRock MedCo.

The acquisition poses no material financial effects on Boustead's net tangible asset per share and earnings per share, the group said.

Boustead's counter closed at 79.5 Singapore cents on Thursday, up 1.28 per cent or 1 Singapore cent.