

Company Announcement



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

67 Ubi Avenue 1, #02-01
StarHub Green
Singapore 408942

PROPOSED SUBSCRIPTION OF 50,000,000 ORDINARY SHARES IN CAPITAL OF OM HOLDINGS LIMITED

Singapore, 21 January 2012

1. Introduction

- 1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company has on 21 January 2012 entered into a share subscription agreement (the "Subscription Agreement") with OM Holdings Limited ("OMH"), a company listed on the Australian Stock Exchange ("ASX").
- 1.2 Pursuant to the Subscription Agreement, OMH has agreed to issue to the Company, and the Company has agreed to subscribe for 50,000,000 ordinary shares in the capital of OMH (the "Subscription Shares", representing approximately 10% of the existing issued share capital of OMH) at A\$0.35 each for a total subscription price of A\$17,500,000 (equivalent to approximately S\$23,300,000) (the "Subscription Price").
- 1.3 The Subscription Agreement is conditional upon the approval of OMH's shareholders at a general meeting expected to be held in late February 2012. If approval is obtained, the issue of the Subscription Shares is expected to be completed shortly thereafter.

2. Subscription Price

- 2.1 The Subscription Price was arrived at following arm's length negotiations and on a willing-seller, willing-buyer basis and after taking into account/consideration, *inter alia*, a) the recent traded price of OMH shares on the ASX, and b) the prospects of OMH.
- 2.2 The Subscription Price of A\$0.35 per share represents, as at 20 January 2012, a discount of 8.8% to the 15-day and 5.2% to the 30-day volume-weighted average price of OMH's shares on the ASX.
- 2.3 The Subscription Price will be paid in cash and will be financed from the Company's internal cash resources.

3. Particulars of OMH

OMH, a limited liability company incorporated in Bermuda, listed on the Australian Stock Exchange in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products.

The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

4. Rationale for Transaction

The Directors of the Company are of the view that the proposed subscription of shares in OMH will cement the strategic relationship between OMH and Boustead, bringing together Boustead's accumulated international experience in the development and commissioning of world-class engineering and infrastructure-related projects and OMH's future growth plans in the manganese industry, particularly the construction and operation of energy intensive ferro alloy manufacturing facilities in South East Asia.

The Directors also see the proposed transaction as providing a head start to a new industry – it will result in the Company holding a significant level of ownership in a world class mining company and also provide opportunities for the Boustead Group to deploy its project management and engineering expertise, including power plant, water treatment plant, furnaces and process control expertise to a new industry. Once established, the Directors hope to see a flow of more opportunities in the development of natural resources across the whole of Asia, plus Australia.

5. Financial Effects of Transaction

There are no material financial effects of the transaction on the net tangible asset per share and earnings per share of the Company in respect of the financial year ended 31 March 2011.

6. Requirements of Listing Manual ("Listing Manual") of SGX-ST

Based on the latest audited consolidated financial statements of the Boustead Group for the year ended 31 March 2011 ("FY2011"), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual for the purpose of transaction classifications pursuant to Chapter 10 of the Listing Manual are as follows:

a) Net Asset Value Test (Rule 1006(a))

This basis is not applicable to an acquisition of assets.

b) Net Profit Test (Rule 1006(b))

The proforma net loss attributable to the Subscription Shares for the financial year ended is approximately S\$1.4 million⁽¹⁾, representing approximately -1.9% of the Group's audited net profit before tax and minority interest of S\$73.6 million for FY2011.

¹⁾ OMH had on 17 January 2012 provided financial guidance on the ASX, stating that its financial results estimate for the 2011 financial year indicates a positive consolidated EBITDA result but owing to the impact of expensing various non-recurring items, it expects a consolidated operating loss after tax of approximately A\$12 million (approximately S\$16.0 million). The proforma net loss attributable to the Subscription Shares of S\$1.4 million is calculated by applying the Company's proforma shareholding in OMH of 8.6% (based on OMH's proforma enlarged share capital, after issuing 50,000,000 new shares to the Company and a further 25,000,000 new shares to other investors under a contemporaneous placement deal) to the S\$16.0 million proforma loss.

c) Market Capitalisation Test (Rule 1006(c))

The Subscription Price (Singapore dollar value) represents approximately 5.2% of the Company's market capitalisation of approximately S\$447.9 million as at 20 January 2012, being the market day immediately preceding the date of the Subscription Agreement.

d) Equity Securities Test (Rule 1006(d))

This basis is not applicable as the Company will not be issuing equity securities under the transaction.

As one of the relative figures set out above exceeds 5% but is less than 20%, the Acquisition constitutes a "Discloseable Transaction" and does not require the approval of shareholders for the purposes of Chapter 10 of the Listing Manual.

7. Interest of Directors and Controlling Shareholders

Mr Wong Fong Fui was until recently a Non-Executive Director of OMH. Mr Wong resigned from the OMH Board on 12 December 2011.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction.

8. Documents for Inspection

Copies of the Subscription Agreement may be inspected during the Company's usual business hours (from 9 am to 5 pm) on any business day for a period of three (3) months from the date of this announcement at the registered office of the Company at 67 Ubi Avenue 1, #02-01, StarHub Green, Singapore 408942.

9. Important Notice to Shareholders

The Board would like Shareholders to note that the Subscription Agreement is conditional upon the approval of OMH's shareholders. Accordingly, there is no certainty that the transaction will be completed.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interest.

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises: Energy-Related Engineering, Water & Wastewater Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 79 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at www.boustead.sg.

Contact Information

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