

## Company Announcement



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

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Singapore 408832

# **BOUSTEAD PROPOSED ACQUISITION OF ASIA-FOCUSED HEALTHCARE BUSINESS**

**Singapore, 24 May 2018**

## **1) Introduction**

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that Boustead has on 24 May 2018 entered into a sale and purchase agreement (the "S&P Agreement") with WhiteRock Medical Company Pte Ltd ("WhiteRock MedCo") to acquire 100% of the shareholding of WhiteRock Incorporation Pte Ltd ("WRI"), comprising a group of 16 healthcare corporations operating in Singapore, China, Hong Kong, Malaysia and Thailand (the "Proposed Acquisition").

## **2) Principal Terms of Proposed Acquisition**

### **2.1) Acquisition Price**

Boustead has agreed to an acquisition price of S\$19,016,000 (the "Acquisition Price"), which is approximately equivalent to the adjusted unaudited net asset value of WRI as presented by WhiteRock MedCo at the end of its financial year ended 31 December 2017.

The Acquisition Price was arrived at following arm's length negotiations and on a willing buyer-willing seller basis and after taking into account the adjusted unaudited net asset value and net tangible asset value of WRI, as well as the historical financial performance and future business prospects of WRI. The Acquisition Price represents the equivalent of the adjusted unaudited net asset value, 1.3x the unaudited net tangible asset value or a price-to-earnings ratio of 15.1x WRI's proforma unaudited profit after tax for the financial year ended 31 December 2017.

The Acquisition Price may be adjusted accordingly to reflect the adjusted audited net asset value of WRI on 31 December 2017, following completion of a full independent external auditor's report.

The Acquisition Price will be paid in cash and financed from Boustead's internal cash resources.

## **2.2) Conditions**

The completion of the Proposed Acquisition is subject to:

- a) Successful restructuring of WhiteRock MedCo's global business; and
- b) Receipt of all necessary approvals and consents by WhiteRock MedCo's shareholders for the Proposed Acquisition.

## **3) About WhiteRock Incorporation Pte Ltd**

WRI is an equipment and services provider for rehabilitative care, sleep care and sports science.

WRI's primary focus is in addressing the needs of healthcare institutions caused by rising aging populations, which require a significant increase in long-term healthcare infrastructure and skilled healthcare manpower. This in turn drives demand for WRI's equipment and services in the long-term care market, especially in community hospitals, nursing homes and outpatient centres. WRI's focus on innovative technologies and patient care services help it to address the pain points of these healthcare institutions by promoting faster recovery and higher productivity, both aimed at addressing the resource shortages faced by the healthcare industry.

Rising aging populations lead to escalation in the prevalence of chronic diseases which in turn lead to complexities in rehabilitative care, especially with patients with comorbidities (the presence of one or more additional diseases). WRI's introduction of leading technologies in cardiovascular and neurovascular rehabilitation technologies into Asian markets enables it to play an important role in combating these complexities. In addition, WRI's focus on sleep care complements its core mission in the rehabilitation of cardiac and stroke patients where it provides innovative technologies and services to diagnose and treat sleep disorders, which are comorbidities of most cardiac and stroke patients.

Another area of focus of WRI is in the area of addressing mobility deficits of the elderly through transformative mobility equipment such as exoskeletons, robotics and adaptive fitness programmes.

WRI, together with its 50%-owned associate, Beijing Pukang Sport & Medical Co Ltd ("Pukang") has over the past 25 years built a strong platform with global suppliers of technologies and healthcare clients in Asia that serves as a springboard from which it seeks to fulfil the business initiatives to address the rising tide of ageing populations. Moving forward, with more resources available, WRI intends to integrate the businesses of Pukang in China into the WRI Group to address the significant opportunities in China, thereby magnifying the scale of its business significantly.

WRI currently has a team of 71 employees across its operations in Asia.

#### **4) Rationale for Proposed Acquisition**

Boustead is of the view that the Proposed Acquisition will be in the interests of the Group and WRI for the following reasons:

- a) The Group believes that the Proposed Acquisition is at a reasonable valuation for the healthcare industry and that WRI has an effective healthcare product distribution network, which can be expanded to strengthen its position as a niche healthcare solutions provider. WRI's focus in three primary high growth areas, will help to fill an underserved gap in the market, especially in relation to sizeable ageing populations across Asia; and
- b) WRI will benefit from Boustead's financial position, thereby providing it with the necessary financial support to achieve rapid growth and execute on strategic expansion plans across Asia.

#### **5) Financial Effects of Transaction**

Based on the latest audited consolidated financial statements of the Boustead Group for the year ended 31 March 2017 ("FY2017"), there are no material financial effects of the Proposed Acquisition on the net tangible asset per share and earnings per share of the Boustead Group.

#### **6) Requirements of Listing Manual ("Listing Manual") of SGX-ST**

Based on the latest audited consolidated financial statements of the Boustead Group for FY2017, 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 adjusted unaudited net profit attributable to WRI for FY2017 is approximately S\$1.26 million, representing approximately 3.8% of the Group's audited net profit after tax attributable to equity holders of the Company for FY2017 of S\$33.3 million.

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

The Acquisition Price represents approximately 4.9% of the Company's market capitalisation of approximately S\$387.0 million as at 23 May 2018, being the market day immediately preceding the date of the S&P 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.

Although the Proposed Acquisition does not constitute as a “Discloseable Transaction” for the purposes of Chapter 10 of the Listing Manual, the Board feels that a transparent disclosure on the material terms of the Proposed Acquisition would be of significant benefit to all shareholders. The Company expects that it will not require the approval of shareholders for the Proposed Acquisition for the purposes of Chapter 10 of the Listing Manual.

Completion of the Proposed Acquisition is expected to take place on 25 June 2018, once all conditions precedent are met.

**7) Interest of Directors and Controlling Shareholders**

Mr Goh Boon Seong, an independent non-executive director of Boustead and the Chairman of the Boustead Board Audit & Risk Committee, is a 1.88% shareholder of WhiteRock MedCo and has share options comprising 1.56% of the share capital of WhiteRock MedCo, along with his position as Chief Executive Officer of WhiteRock MedCo.

Mr Goh has also advanced loans of approximately 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.

Save as disclosed above, none of the other directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

Following the completion of the Proposed Acquisition, Mr Goh will continue serving as Chief Executive Officer of WRI.

**8) Documents for Inspection**

Copies of the binding transaction documents for the Proposed Acquisition will be made available for inspection during normal business hours at the registered office of the Company at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832, for a period of three months commencing from the date of this announcement.

**9) Important Notice to Shareholders**

The Board would like Shareholders to note that the Proposed Acquisition is conditional upon, *inter alia*, conditions (as mentioned in paragraph 2.2) including approval of the Proposed Acquisition by WhiteRock MedCo’s shareholders. Accordingly, there is no certainty that the Proposed Acquisition 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 (SGX:F9D) is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the SGX Mainboard. Focusing on the engineering and development of key infrastructure to support economic growth in global markets, our strong suite of engineering services comprises Energy-Related 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 system – to major markets across Australia and parts of South East Asia. Our intelligent mapping platform and digital infrastructure are essential to create smart nations, smart cities and smart communities by solving the world’s largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, we have undertaken infrastructure-related projects in 85 countries and territories globally.

In 2008 and 2009, we were 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. In 2015, we were also the winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore’s progress and success over the past 50 years since independence. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. We are also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at [www.boustead.sg](http://www.boustead.sg).

## **Contact Information**

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