

CIRCULAR DATED 14 JULY 2008

**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 bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of Boustead Singapore Limited, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale 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 SINGAPORE LIMITED**

(Incorporated in Singapore)  
(Company Registration Number: 197501036K)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (1) THE PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE COMPANY INTO TWO ORDINARY SHARES**
- (2) THE PROPOSED SHARE BUY-BACK MANDATE**

#### **IMPORTANT DATES AND TIMES:-**

Last date and time for lodgment of Proxy Form	:	28 July 2008 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	30 July 2008 at 10.30 a.m. (or so soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day)
Place of Extraordinary General Meeting	:	63 Ubi Avenue 1 #06-01 Boustead House Singapore 408937

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Articles”	:	The Articles of Association of the Company.
“Books Closure Date”	:	At 5.00 p.m. on 20 August 2008.
“CDP”	:	The Central Depository (Pte) Limited.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
“Company”	:	Boustead Singapore Limited.
“Directors”	:	The directors of the Company as at the date of this Circular.
“EGM”	:	Extraordinary General Meeting.
“EPS”	:	Earnings per Share.
“FY”	:	Financial year ended 31 March.
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	1 July 2008, being the latest practicable date prior to the printing of this Circular.
“Listing Manual”	:	The Listing Manual of the SGX-ST.
“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.
“Memorandum”	:	The Memorandum of the Company.
“month”	:	A calendar month.
“NTA”	:	Net tangible assets.
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“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.
“Share Buy-Back”	:	Buy-Back of Shares by the Company pursuant to the Share Buy-Back Mandate.
“Share Options”	:	Options to subscribe for new Shares granted pursuant to the 2001 Scheme.

“Share Split”	:	The proposed share split of each ordinary share in the capital of the Company into two ordinary shares in the capital of the Company.
“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 capital of the Company.
“SIC”	:	Securities Industry Council of Singapore.
“Substantial Shareholder”	:	A Shareholder who has five per cent. (5%) or more of the total issued share capital of the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time.
“2001 Scheme”	:	The Boustead Share Option Scheme 2001 which was approved by Shareholders on 30 August 2001.
“S\$” and “cents”	:	Singapore dollars and cents, respectively.
“%”	:	Percentage or per centum.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “controlling shareholder” shall have the meaning ascribed to it in the Listing Manual.

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. References to persons shall include corporations.

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.

## LETTER TO SHAREHOLDERS

### BOUSTEAD SINGAPORE LIMITED

(Incorporated in Singapore)  
(Company Registration Number: 197501036K)

**Directors:**

Mr Wong Fong Fui (Chairman & Group Chief Executive Officer)  
Mr Saiman Ernawan (Deputy Chairman)  
Mr Tong Weng Leong (Executive Director)  
Mr Loh Kai Keong (Executive Director)  
Mr John Lim Kok Min  
Mr Chong Ngien Cheong  
Mr Godfrey Ernest Scotchbrook  
Mr Yeo Ker Kuang

**Registered Office:**

63 Ubi Avenue 1  
#06-01 Boustead House  
Singapore 408937

To the Shareholders of  
**BOUSTEAD SINGAPORE LIMITED**

14 July 2008

Dear Shareholders,

- (1) **THE PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO ORDINARY SHARES**
  - (2) **THE PROPOSED SHARE BUY-BACK MANDATE**
- 

#### 1. INTRODUCTION

- 1.1. The Directors propose to convene an EGM to seek the approval of Shareholders for the following:
  - 1.1.1. The proposed Share Split of each Share in the capital of the Company into two Shares; and
  - 1.1.2. The proposed Share Buy-Back Mandate to allow the Company to purchase its issued Shares in the capital of the Company.
- 1.2. The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to, the proposals set out in paragraphs 1.1.1 and 1.1.2 which will be tabled at the EGM.

#### 2. THE PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO ORDINARY SHARES

##### 2.1. The Proposed Share Split

The Company proposes to sub-divide each ordinary share in the capital of the Company into two ordinary shares in the capital of the Company. Based on the issued share capital of the Company as at the Latest Practicable Date, the Company has in issue 257,477,762 Shares. If the Share Split is approved, the Company will therefore have in issue 514,955,524 Shares. However, depending on the number of new Shares which may be issued on or prior to the Books Closure Date, pursuant to the exercise of the Options, up to 1,395,292 Shares may be issued and the number of Share in issue will increase to 258,873,054 Shares. If the Share Split is approved, the Company will have in issue 517,746,108 Shares. All Shares arising from the proposed Share Split rank *pari passu* with each other.

## 2.2. Rationale For And Benefit Of The Share Split

The Company believes that the Share Split is beneficial to Shareholders for the following reasons:

- 2.2.1. The Share Split will improve market liquidity of the Company's Shares over time as the reduced price of each board lot will make the Shares more accessible and attractive to both existing and potential investors; and
- 2.2.2. With the increased number of board lots available for trading purposes, it may also increase the number of shareholders in the Company.

The Company will retain the trading of the Shares in a board lot of 1,000 Shares following the Share Split.

## 2.3. Conditions For The Share Split

The Share Split is subject to the approval of Shareholders by way of an ordinary resolution for the Share Split, and the approval in-principle of SGX-ST for the listing and quotation of all the Shares each arising from the Share Split. On 26 June 2008, the Company announced that it had obtained approval in-principle from the SGX-ST for the listing and quotation of all the additional Shares arising from the Share Split subject to, *inter alia*, Shareholders' approval for the Share Split at an Extraordinary General Meeting to be convened. Any approval by the SGX-ST shall not be taken as an indication of the merits of the Share Split, the Shares arising from the Share Split, the Company or its subsidiaries.

## 2.4. Financial Effects Of The Share Split

Based on the audited consolidated financial statements of the Group for the year ended 31 March 2008 and the number of Shares as at 31 March 2008 and as at the Latest Practicable Date, and for illustrative purposes only, the financial effects of the Share Split on the ordinary share capital of the Company would have been as follows:

Issued and Paid Up Ordinary Share Capital	As at 31 March 2008		As at the Latest Practicable Date	
	Number of Ordinary Shares	Ordinary Share Capital	Number of Ordinary Shares	Ordinary Share Capital
<b><i>If Share Options are not exercised</i></b>				
Before the Share Split	255,977,762	72,125,270	257,477,762	72,636,520
After the Share Split	511,955,524	72,125,270	514,955,524	72,636,520
<b><i>If Share Options are exercised</i></b>				
Before the Share Split	258,873,054	73,157,390	258,873,054	73,157,390
After the Share Split	517,746,108	73,157,390	517,746,108	73,157,390

For illustrative purposes only, the financial effects of the Share Split on the Company's NTA per share and gearing, based on the audited consolidated financial statements of the Group for the year ended 31 March 2008, are shown below:

## 2.5. Net Tangible Assets

	No Share Options are exercised	All Share Options are exercised
	Group S\$'000	Group S\$'000
NTA (before Share Split)	164,609	164,609
Proceeds from the exercise of all Share Options	-	1,032
Adjusted NTA (before Share Split)	164,609	165,641
Adjusted NTA (after Share Split)	164,609	165,641
Adjusted NTA per Share (before Share Split)(cents)	64.30 <sup>(1)</sup>	64.30 <sup>(2)</sup>
Adjusted NTA per Share (after Share Split)(cents)	32.15 <sup>(3)</sup>	32.15 <sup>(4)</sup>

Notes:

(1) Based on 255,977,762 Shares

(2) Based on 258,873,054 Shares

(3) Based on 511,955,524 Shares

(4) Based on 517,746,108 Shares

## 2.6. Earnings Per Share

The EPS is expected to be diluted in view of the enlarged capital after the Share Split, as follows:

	<b>Group</b>
Profit after tax and minority interest for the year ended 31 March 2008 (S\$'000)	51,487
EPS (before Share Split)(cents)	20.10 <sup>(1)</sup>
EPS (after Share Split)(cents)	10.10 <sup>(2)</sup>

Notes:

(1) Based on 255,755,946 Shares

(2) Based on 511,511,892 Shares

## 2.7. Gearing

The Share Split will not have any effect on the gearing of the Group.

## 2.8. Dividends

Barring any unforeseen circumstances, the Directors are of the opinion that the Share Split would not have any effect on the ability of the Company to make dividend payments.

## 2.9. Theoretical Share Split Price

Based on the Share price as at the Latest Practicable Date of S\$2.39, the theoretical Share Split price will be S\$1.20.

## 2.10. Procedures For Share Split

Persons registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be included for the purpose of the Share Split on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date. The Notice of Books Closure Date is set out in [paragraph 9](#) below.

## 2.11. Deposit of Share Certificates with CDP

Shareholders who hold physical share certificate(s) for the Shares in their own names (“**Existing Share Certificate(s)**”) and who wish to deposit the same with CDP for the purposes of the Share Split, must deposit their Existing Share Certificate(s), together with the duly executed instruments of transfer in favour of CDP, not later than five (5) Market Days prior to the Books Closure Date, ie. not later than 5.00 p.m. on 13 August 2008. After the Books Closure Date, CDP will only accept for deposit physical share certificate(s) to be issued for the purposes of the Share Split in their own names (“**New Share Certificate(s)**”).

## 2.12. Members’ Entitlement and new Share Certificates

2.12.1. Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be attributed the number of Shares pursuant to the Share Split based on the number of Shares standing to the credit of their Securities Accounts as at the Books Closure Date.

- 2.12.2. Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificate(s) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, as soon as possible after the Extraordinary General Meeting for cancellation and exchange for the New Share Certificates.
- 2.12.3. Share certificates to be issued pursuant to the Share Split will be sent, not later than 10 days after the Books Closure Date to:
- (1) members who are Depositors, by sending the same to CDP; and
  - (2) members who are not Depositors, by ordinary post at their respective address shown in the Register of Members of the Company or in the case of joint holders, to the first name holder at this registered address, at the sole risk of the holders.
- 2.12.4. No receipt will be issued by the Company's Share Registrar for the physical share certificates tendered.
- 2.12.5. Shareholders who hold physical share certificate(s) are reminded that their Existing Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Company's Share Registrar. The Existing Share Certificates and the New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.
- 2.12.6. Shareholders who have lost any of their Existing Share Certificate(s) or whose addresses have changed from those reflected in the Company's Register of Members should notify the Company's Share Registrar immediately.

### **2.13. Trading of Shares Arising From Share Split**

The cessation date for the trading of the existing Shares and the commencement date for the trading of Shares arising from the Share Split on the SGX-ST will be announced separately.

### **2.14. Adjustments To 2001 Scheme**

The Company will effect the appropriate adjustments to the exercise price and/or the number of Shares comprised in the Share Options to the extent unexercised, subject to, and in accordance with, the rules of the Scheme. As at the Latest Practicable Date, total Share Options outstanding amounted to 1,395,292 unissued ordinary shares.

## **3. THE PROPOSED SHARE BUY-BACK MANDATE**

### **3.1. Rationale for and benefit of the Share Buy-Back Mandate**

- 3.1.1. The Directors and management are constantly seeking to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. The proposed Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire Shares if and when the circumstances permit. Share purchases or acquisitions provide the Company with a relatively convenient, expedient and cost efficient mechanism to facilitate the return of surplus funds over and above its ordinary capital requirements. 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 at a general meeting of its shareholders. The Directors further believe that Share purchases or acquisitions by the Company will help mitigate short-term market volatility in the Company's Share price, offset the effects of short-term



speculation and bolster Shareholder confidence. The Share purchases or acquisitions will also allow the Directors to exercise control over the Company's share structure with a view to enhancing the EPS and/or NTA per Share of the Company.

- 3.1.2. The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. 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 working capital of the Group and the Company.

### 3.2. 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 at the EGM, are summarised below:-

#### 3.2.1. Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. 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 10% of the issued Shares as at the date of the EGM at which the Share Buy-Back Mandate is approved (the "**Approval Date**"). For illustrative purposes only, based on 257,477,762 Shares in issue as at the Latest Practicable Date, not more than 25,747,776 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

#### 3.2.2. Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:-

- (1) the date on which the next annual general meeting of the Company is held;
- (2) the date on which the next annual general meeting of the Company is required by law to be held; or
- (3) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked.

#### 3.2.3. Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (1) on-market purchases on the SGX-ST (the "**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's Central Limit Order Book (CLOB) trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (2) off-market purchases (the "**Off-Market Purchases**") effected pursuant to an equal access scheme (as defined in section 76C of the Companies Act). The Directors may impose such terms and conditions which are consistent with the Share Buy-Back Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to Off-Market Purchase schemes. The Off-Market Purchase scheme must, however, satisfy the following conditions:-

- (a) offers made for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:-
  - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
  - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

#### 3.2.4. Listing Rules

In addition, in accordance with Listing Rules, in making an Off-Market Purchase, 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 acceptances;
- (3) the reasons for the proposed share buy-back;
- (4) the consequences, if any, of share buy-backs 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, could have any effect on the listing of the shares on the SGX-ST; and
- (6) details of any share buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market 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.

#### 3.2.5. Maximum Purchase Price

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. However, the purchase price must not exceed:-

- (1) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (2) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:-

*“Average Closing Price” means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;*

*“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and*

*“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 Purchase.*

### **3.3. Status of purchased or acquired Shares**

- 3.3.1. A Share purchased or acquired by the Company may either be held in treasury or cancelled immediately on purchase or acquisition. Unless held in treasury in accordance with the Companies Act, all Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase and all rights and privileges attached to such Shares will expire on cancellation. This means that the Company’s issued share capital will be diminished by the total purchase price paid by the Company for the Shares.
- 3.3.2. Where Shares are held in treasury, the Company shall be entered in the register as the member holding such Shares. The total aggregate number of all Shares, whether ordinary or otherwise, of Shares held in treasury shall not exceed 10 per cent. of the total number of Shares held in that class. No rights and privileges shall be attached to any Shares held in treasury. The Company may sell any of such Shares for cash, transfer any such Shares for the purpose of or pursuant to an employee’s share scheme, transfer any such Shares as consideration for the acquisition of Shares, or assets of another company or assets of any persons, cancel any such Shares or sell, transfer or otherwise use such Shares as may be permitted by law.

### **3.4. Source of funds**

- 3.4.1. The Company may only apply funds for Share Purchases as provided in the Articles and in accordance with the applicable laws in Singapore. Only funds legally available for purchasing Shares in accordance with the Companies Act shall be utilized. Under the Companies Act, any purchase 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 (the **“Permitted Funds”**).
- 3.4.2. The Company intends to use internal resources and/or external borrowings to finance the Company’s purchase or acquisition of its Shares. The Directors do not intend to exercise the Share Buy-Back Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

### 3.5. Financial effects

- 3.5.1. If the purchased or acquired Shares are cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired by the Company. The consideration to be paid by the Company for the purchase or acquisition of Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. If, on the other hand, the purchased or acquired Shares are not cancelled but held in treasury, then there is no change in the issued share capital of the Company. However, for the purposes of demonstrating the financial effects on the Shares, we have excluded Shares held in treasury from the issued capital as such Shares do not have, *inter alia*, any entitlement to dividends or voting rights. These financial effects are as illustrated in paragraphs 3.5.3(1) and 3.5.3(2).
- 3.5.2. The financial effects on the Group and the Company arising from Share Buy-Back will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares, the manner in which the purchase or acquisition is funded and whether the Shares are cancelled or held in treasury.
- 3.5.3. For illustrative purposes only, assuming that the Company had purchased 25,747,776 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date, the financial effects on the audited financial statements of the Group and the Company for FY2008 would have been as follows:-

- (1) Market Purchase

#### For illustrative purposes only:

**Where the Shares purchased or acquired are cancelled**, in a Market Purchase, assuming that the Company purchases or acquires 25,747,776 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date), which is the maximum number of Shares the Company is able to purchase or acquire under and during the duration of the Share Buy-Back Mandate at the Maximum Price of S\$2.44 per Share, which is 5% above the Average Closing Price of S\$2.32 per Share as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$63 million.

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 31 March 2008</b>				
Share Capital and Reserves	164,778	100,715	93,051	28,988
NTA <sup>(1)</sup>	164,609	100,546	93,021	28,958
Current Assets	332,143	268,080	72,379	40,667
Current Liabilities	197,850	197,850	68,255	100,606
Working Capital	134,293	70,230	4,124	(59,939)
Total Borrowings <sup>(2)</sup>	14,507	14,507	-	-
Number of Shares ('000) <sup>(3)</sup>	257,478	231,730	257,478	231,730
<b>Financial Ratios</b>				
NTA per Share (cents)	63.90	43.39	36.10	12.50
EPS (cents) <sup>(4)</sup>	20.10	21.83	10.30	10.84
Gearing Ratio (times) <sup>(5)</sup>	0.09	0.14	-	-
Current Ratio (times) <sup>(6)</sup>	1.68	1.35	1.10	0.40

Notes:-

- (1) NTA equals shareholders' funds less goodwill and other intangible assets. "Shareholders' funds" means share capital and reserves.
- (2) Total borrowings refer to borrowings from financial institutions.
- (3) As at the Latest Practicable Date.
- (4) EPS equals profit attributable to shareholders divided by the weighted average number of ordinary shares in issue. Profit attributable to shareholders after the Share Buy-Back has been adjusted by the notional interest expense incurred at the interest rate of 2.05% per annum.
- (5) Gearing ratio equals total borrowings divided by shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

As at 31 March 2008, the Group and the Company had cash and bank balances of approximately S\$165 million and S\$31 million, respectively. In order to effect a purchase of up to 25,747,776 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$63 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$32 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$32 million from its related corporations to finance the purchase or acquisition of its Shares. The Company intends to use internal resources to finance the Company's purchase or acquisition of its Shares.

As illustrated above, the Share Buy-Back will have the effect of reducing the working capital and the NTA of both the Group and the Company by the purchase price of the Shares purchased and the related cost of funds. The consolidated NTA per Share of the Group as at 31 March 2008 (and adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 63.90 cents to 43.39 cents.

Assuming that the Market Purchase had taken place on 1 April 2007, the consolidated basic earnings per Share of the Group for financial year ended 31 March 2008 would be increased from 20.10 cents to 21.83 cents per Share as a result of the reduction in the number of issued Shares.

**Where the Shares purchased or acquired are held in treasury**, in a Market Purchase, assuming that the Company purchases or acquires 25,747,776 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date), which is the maximum number of Shares the Company is able to purchase or acquire under and during the duration of the Share Buy-Back Mandate at the Maximum Price of S\$2.44, which is 5% above the Average Closing Price of S\$2.32 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$63 million.

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 31 March 2008</b>				
Share Capital and Reserves	164,778	163,491	93,051	91,764
Shares held in treasury	-	(62,776)	-	(62,776)
NTA <sup>(1)</sup>	164,609	100,546	93,021	28,958
Current Assets	332,143	268,080	72,379	40,667
Current Liabilities	197,850	197,850	68,255	100,606

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
	S\$'000	S\$'000	S\$'000	S\$'000
Working Capital	134,293	70,230	4,124	(59,939)
Total Borrowings <sup>(2)</sup>	14,507	14,507	-	-
Number of Shares ('000) <sup>(3)</sup>	257,478	231,730	257,478	231,730

#### Financial Ratios

NTA per Share (cents)	63.90	43.39	36.10	12.50
EPS (cents) <sup>(4)</sup>	20.10	21.83	10.30	10.84
Gearing Ratio (times) <sup>(5)</sup>	0.09	0.14	-	-
Current Ratio (times) <sup>(6)</sup>	1.68	1.35	1.10	0.40

Notes:-

- (1) NTA equals shareholders' funds less goodwill and other intangible assets. "Shareholders' funds" means share capital, shares held in treasury and reserves.
- (2) Total borrowings refer to borrowings from financial institutions.
- (3) As at the Latest Practicable Date.
- (4) EPS equals profit attributable to shareholders divided by the weighted average number of ordinary shares in issue. Profit attributable to shareholders after the Share Buy-Back has been adjusted by the notional interest expense incurred at the interest rate of 2.05% per annum.
- (5) Gearing ratio equals total borrowings divided by shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

As at 31 March 2008, the Group and the Company had cash and bank balances of approximately S\$165 million and S\$31 million, respectively. In order to effect a purchase of up to 25,747,776 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$63 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$32 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$32 million from its related corporations to finance the purchase or acquisition of its Shares. The Company intends to use internal resources to finance the Company's purchase or acquisition of its Shares.

As illustrated above, the Share Buy-Back will have the effect of reducing the working capital and the NTA of both the Group and the Company by the purchase price of the Shares purchased and the related cost of funds. The consolidated NTA per Share of the Group as at 31 March 2008 (and adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 63.90 cents to 43.39 cents.

Assuming that the Market Purchase had taken place on 1 April 2007, the consolidated basic earnings per Share of the Group for financial year ended 31 March 2008 would be increased from 20.10 cents to 21.83 cents per Share as a result of the reduction in the number of issued Shares.

#### (2) Off-Market Purchase

**For illustrative purposes only:**

**Where the Shares purchased or acquired are cancelled**, in an Off-Market Purchase, assuming that the Company purchases or acquires 25,747,776



Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date), which is the maximum number of Shares the Company is able to purchase or acquire under and during the duration of the Share Buy-Back Mandate at the Maximum Price of S\$2.79, which is 20% above the Average Closing Price of S\$2.32 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$72 million.

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 31 March 2008</b>				
Share Capital and Reserves	164,778	91,564	93,051	19,837
NTA <sup>(1)</sup>	164,609	91,395	93,021	19,807
Current Assets	332,143	258,929	72,379	40,667
Current Liabilities	197,850	197,850	68,255	109,757
Working Capital	134,293	61,079	4,124	(69,090)
Total Borrowings <sup>(2)</sup>	14,507	14,507	-	-
Number of Shares ('000) <sup>(3)</sup>	257,478	231,730	257,478	231,730
<b>Financial Ratios</b>				
NTA per Share (cents)	63.90	39.44	36.10	8.55
EPS (cents) <sup>(4)</sup>	20.10	21.75	10.30	10.76
Gearing Ratio (times) <sup>(5)</sup>	0.09	0.16	-	-
Current Ratio (times) <sup>(6)</sup>	1.68	1.31	1.10	0.37

Notes:-

- (1) NTA equals shareholders' funds less goodwill and other intangible assets. "Shareholders' funds" means share capital and reserves.
- (2) Total borrowings refer to borrowings from financial institutions.
- (3) As at the Latest Practicable Date.
- (4) EPS equals profit attributable to shareholders divided by the weighted average number of ordinary shares in issue. Profit attributable to shareholders after the Share Buy-Back has been adjusted by the notional interest expense incurred at the interest rate of 2.05% per annum.
- (5) Gearing ratio equals total borrowings divided by shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

As at 31 March 2008, the Group and the Company had cash and bank balances of approximately S\$165 million and S\$31 million, respectively. In order to effect a purchase of up to 25,747,776 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$72 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$41 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$41 million from its related corporations to finance the purchase or acquisition of its Shares. The Company intends to use internal resources to finance the Company's purchase or acquisition of its Shares.

As illustrated above, the Share Buy-Back will have the effect of reducing the working capital and the NTA of both the Group and the Company by the purchase price of the Shares purchased and the related cost of funds. The consolidated NTA per Share of the Group as at 31 March 2008 (and adjusted

for the number of issued Shares as at the Latest Practicable Date) will also decrease from 63.90 cents to 39.44 cents.

Assuming that the Off-Market Purchase had taken place on 1 April 2007, the consolidated basic earnings per Share of the Group for financial year ended 31 March 2008 would be increased from 20.10 cents to 21.75 cents per Share as a result of the reduction in the number of issued Shares.

**Where the Shares purchased or acquired are held in treasury**, in an Off-Market Purchase, assuming that the Company purchases or acquires 25,747,776 Shares (representing 10% of the total issued share capital of the Company as at the Latest Practicable Date), which is the maximum number of Shares the Company is able to purchase or acquire under and during the duration of the Share Buy-Back Mandate at the Maximum Price of S\$2.79, which is 20% above the Average Closing Price of S\$2.32 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$72 million.

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 31 March 2008</b>				
Share capital and Reserves	164,778	163,307	93,051	91,580
Shares held in treasury	-	(71,744)	-	(71,744)
NTA <sup>(1)</sup>	164,609	91,395	93,021	19,807
Current Assets	332,143	258,929	72,379	40,667
Current Liabilities	197,850	197,850	68,255	109,757
Working Capital	134,293	61,079	4,124	(69,090)
Total Borrowings <sup>(2)</sup>	14,507	14,507	-	-
Number of Shares ('000) <sup>(3)</sup>	257,478	231,730	257,478	231,730
<b>Financial Ratios</b>				
NTA per Share (cents)	63.90	39.44	36.10	8.55
EPS (cents) <sup>(4)</sup>	20.10	21.75	10.30	10.76
Gearing Ratio (times) <sup>(5)</sup>	0.09	0.16	-	-
Current Ratio (times) <sup>(6)</sup>	1.68	1.31	1.10	0.37

Notes:-

(1) NTA equals shareholders' funds less goodwill and other intangible assets. "Shareholders' funds" means share capital, shares held in treasury and reserves.

(2) Total borrowings refer to borrowings from financial institutions.

(3) As at the Latest Practicable Date.

(4) EPS equals profit attributable to shareholders divided by the weighted average number of ordinary shares in issue. Profit attributable to shareholders after the Share Buy-Back has been adjusted by the notional interest expense incurred at the interest rate of 2.05% per annum.

(5) Gearing ratio equals total borrowings divided by shareholders' funds.

(6) Current ratio equals current assets divided by current liabilities.

As at 31 March 2008, the Group and the Company had cash and bank balances of approximately S\$165 million and S\$31 million, respectively. In order to effect a purchase of up to 25,747,776 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$72 million will be required. The Company has insufficient cash and bank



balances and will need to borrow S\$41 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$41 million from its related corporations to finance the purchase or acquisition of its Shares. The Company intends to use internal resources to finance the Company's purchase or acquisition of its Shares.

As illustrated above, the Share Buy-Back will have the effect of reducing the working capital and the NTA of both the the Group and the Company by the purchase price of the Shares purchased and the related cost of funds. The consolidated NTA per Share of the Group as at 31 March 2008 (and adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 63.90 cents to 39.44 cents.

Assuming that the Off-Market Purchase had taken place on 1 April 2007, the consolidated basic earnings per Share of the Group for financial year ended 31 March 2008 would be increased from 20.10 cents to 21.75 cents per Share as a result of the reduction in the number of issued Shares.

- 3.5.4. **Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical FY2008 numbers, and are not necessarily representative of future financial performance. In addition, the actual impact will depend on the actual number and price of Shares to be acquired or purchased by the Company, and whether the Shares to be acquired or purchased are cancelled or held in treasury.**
- 3.5.5. Share Buy-Back will only be made in circumstances where it is considered to be in the best interests of the Company. It should be noted that Share Buy-Backs may not be carried out to the full 10% as mandated. Further, the Directors do not intend to exercise the Share Buy-Back Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group or the Company, or result in the Company being delisted from the SGX-ST.
- 3.5.6. **Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.**

### 3.6. 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:-

- 3.6.1. Within 30 days of the passing of a Shareholders' resolution to approve purchases of Shares, the Company must lodge a copy of such resolution with the Accounting & Corporate Regulatory Authority ("**ACRA**");
- 3.6.2. The Company must notify the ACRA, within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification in the form as may be prescribed by the ACRA shall include details of the date of the repurchase, the total number of Shares purchased 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 of Shares, the Company's issued share capital after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required;

- 3.6.3. 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 Market Purchases, not later than 9.00 a.m. on the Market Day following the day of purchase of any of its Shares and in the case of Off-Market 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;
- 3.6.4. In its annual report and accounts, the Company shall make disclosure of details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases, and where relevant, the total consideration paid.

### **3.7. Suspension of Buy-Back of Shares**

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time and times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buy-Back Mandate at any time after an event of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares **during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, or one month before its annual or half-year results, as the case may be, and ending on the date of announcement of the relevant results.**

### **3.8. Listing Status**

- 3.8.1. The Listing Rules require a listed company to ensure that at least 10% of any class of its listed securities is at all times held by public shareholders. The Listing Rules defines “public” as 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.
- 3.8.2. As at the Latest Practicable Date, 79,507,900 Shares representing 30.88% of the Shares of the Company are held in the hands of the public by an aggregate of 1,231 Shareholders. Assuming that the Company purchases the maximum of 10% of its Shares from such public Shareholders, the resultant percentage of the issued Shares held by public Shareholders would be reduced to approximately 23.20%. Accordingly, the Directors are of the view that there is, at present, a sufficient number of the Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases of the Shares through Market Purchases up to the full 10% limit pursuant to the proposed Share Buy-Back Mandate without affecting adversely 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 orderly trading of the Shares.
- 3.8.3. As at the Latest Practicable Date, the Company has no securities apart from its Shares listed on the SGX-ST.

### **3.9. Last 12 Months**

The Company has not, in the last 12 months preceding the Latest Practicable Date, had in place a mandate to buy-back its own Shares, nor purchased any of its own Shares.

### 3.10. Take-over Code Implication

#### 3.10.1. Obligations to make a Take-over Offer

- (1) Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting capital of the Company as a result of any purchase or acquisition by the Company of the Shares will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). If such increase results in the change in control, or as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a takeover offer for the Company under Rule 14 of the Take-over Code.
- (2) Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely, (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and (b) a company, its parent, 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 at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.
- (3) The circumstances under which Shareholders, including Directors and persons acting in concert with them, respectively, will incur an obligation to make a takeover 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 ("**Appendix 2**").
- (4) The effect of Rule 14 and Appendix 2 is that, unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:-
  - (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or
  - (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.
- (5) Under Appendix 2, a Shareholder and persons acting in concert with him will incur an obligation to make a takeover offer after a share buy-back if, *inter alia*, their voting rights increase to 30% or more as a result of a share buy-back by the Company and they acquire any Shares between the date of the notice of resolution to authorise the Share Buy-Back Mandate and the next annual general meeting of the Company, or, if they already hold between 30% and 50% of the Company's voting rights and as a result of a share buy-back by the Company their voting rights increase by more than 1% in any period of six months and they acquire ordinary shares between the date of notice of resolution to authorise the Share Buy-Back Mandate and the next annual general meeting of the Company.

- (6) Under Appendix 2, a Shareholder, not acting in concert with the Directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

### 3.10.2. Application of the Take-over Code

- (1) As at the Latest Practicable Date, Director and Substantial Shareholder, Mr Wong Fong Fui, and his concert parties hold 93,350,604 Shares, representing 36.25% of the Company's issued share capital.
- (2) In the event that the Company undertakes share purchases under the Share Buy-Back Mandate up to the maximum of 10% of the issued share capital of the Company as permitted by the Share Buy-Back Mandate, the aggregate shareholdings and voting rights of Mr Wong Fong Fui and his concert parties would have increased from 36.25% to 40.28%. In the event that Mr Wong Fong Fui and his concert parties' shareholdings and voting rights increases by 1% within a six-month period as a result of such share purchases, they may be required to make a general offer for the Shares held by other Shareholders pursuant to Rule 14.
- (3) The Council had on 30 April 2008 granted its approval to exempt Mr Wong Fong Fui from the requirement to make a general offer under Rule 14.1(b) of the Takeover Code in the event that Mr Wong and his concert parties' aggregate percentage of total voting rights increases by more than 1% in any 6-month period as a result of the Company buying back its shares under the proposed Share Buy-Back Mandate subject to the following conditions:
- (a) the Circular on the resolution to approve the proposed Share Buy-Back Mandate contains: (i) advice to the effect that by voting for the proposed Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from Mr Wong Fong Fui and his concert parties, and who, as a result of the share purchase by the Company, would increase their percentage of total voting rights by more than 1% in any 6-month period; and (ii) the names of Mr Wong Fong Fui and his concert parties, and the voting rights of Mr Wong Fong Fui and his concert parties at the time of the EGM and after the proposed Share Buy-Back Mandate are disclosed in the same circular;
  - (b) the resolution to approve the proposed Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the proposed Share Buy-Back Mandate;
  - (c) Mr Wong Fong Fui and his concert parties will abstain from voting for and recommending Shareholders to vote in favour of the resolution to approve the proposed Share Buy-Back Mandate; and
  - (d) Mr Wong Fong Fui and his concert parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buy-Back Mandate is imminent and the earlier of:

- (i) the date the authority of the Share Buy-Back Mandate expires; and
- (ii) the date the Company announces it has bought back such number of Shares as approved by the Share Buy-Back Mandate or it has been decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the shares purchased under the Share Buy-Back Mandate, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding 6 months.

- (e) If the Company ceases to purchase its Shares and the increase of voting rights held by Mr Wong Fong Fui and his concert parties as a result of share purchases by the Company at such time is less than 1% in any 6 month period, Mr Wong Fong Fui and his concert parties will be allowed to acquire Shares. However, any increase in the percentage voting rights in the Company of Mr Wong Fong Fui and his concert parties as a result of the share purchases will be taken into account together with any Shares acquired by Mr Wong Fong Fui and his concert parties (by whatever means) in determining whether Mr Wong Fong Fui and his concert parties have increased their aggregate voting rights by more than 1% in any 6-month period.
- (4) Save as disclosed above, the Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buy-Back.
  - (5) **Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer as a result of a Share Buy-Back are advised to consult their professional advisers and/or the SIC before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.**
  - (6) **By voting for the proposed Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from Mr Wong Fong Fui and his concert parties.**
  - (7) Mr Wong Fong Fui and his concert parties will abstain from voting in respect of the proposed Share Buy-Back Mandate.
  - (8) For the purposes of the Takeover Code, Mr Wong Fong Fui and Mr Chong Ngien Cheong are considered to be concert parties by the SIC.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 4.1. Issued Shares

The interests of the Directors and Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are as follows:-

	Direct Interest	%	Deemed Interest	%	Total Interest	%
<b>Directors</b>						
Mr Wong Fong Fui	81,758,604	31.75	-	-	81,758,604	31.75
Mr Saiman Ernawan	-	-	22,215,396 <sup>(1)</sup>	8.63	22,215,396	8.63
Mr Tong Weng Leong	1,398,968	0.54	608,000 <sup>(2)</sup>	0.24	2,006,968	0.78
Mr Loh Kai Keong	301,988	0.12	200,000 <sup>(2)</sup>	0.08	501,988	0.20
Mr Chong Ngien Cheong	200,000	0.08	11,392,000 <sup>(3)</sup>	4.42	11,592,000	4.50
Mr John Lim Kok Min	200,000	0.08	-	-	200,000	0.08
Mr Godfrey Ernest Scotchbrook	-	-	500,000 <sup>(2)</sup>	0.19	500,000	0.19
Mr Yeo Ker Kuang	3,976,710	1.54	2,140,000 <sup>(4)</sup>	0.83	6,116,710	2.37
<b>Substantial Shareholders</b>						
Wong Fong Fui	81,758,604	31.75	-	-	81,758,604	31.75
Chartered Asset Management Pte Ltd	-	-	22,578,000 <sup>(2)</sup>	8.77	22,578,000	8.77
Saiman Ernawan	-	-	22,215,396 <sup>(1)</sup>	8.63	22,215,396	8.63
Marrickville Group Limited	-	-	22,215,396 <sup>(2)</sup>	8.63	22,215,396	8.63
Chew Leong Chee	-	-	15,000,000 <sup>(5)</sup>	5.83	15,000,000	5.83
CAM-GTF Limited	-	-	13,870,000 <sup>(2)</sup>	5.39	13,870,000	5.39
Multipartner (Sicav), Luxembourg	-	-	13,027,000 <sup>(2)</sup>	5.06	13,027,000	5.06

**Note:-**

- (1) Mr Saiman Ernawan is deemed interested in the shares held by Marrickville Group Limited.
- (2) The deemed interests of these Directors/Substantial Shareholders are held in the names of nominees.
- (3) Mr Chong Ngien Cheong is deemed to have an interest in the shares beneficially owned by Sang Chun Holdings Pte Ltd ("**Sang Chun**") by virtue of his holding not less than 20% of the voting shares in Sang Chun.
- (4) Mr Yeo Ker Kuang's deemed interest arises from the direct interest in the Company held by his spouse and children.
- (5) Mr Chew Leong Chee is deemed to have an interest in the 7,500,000 Shares held by Macondray & Company Inc and 7,500,000 Shares held by Representations International (HK) Ltd.

## 5. EXTRAORDINARY GENERAL MEETING

An EGM, notice of which is set out on N-1 of this Circular, is to be convened and held at 63 Ubi Avenue 1, #06-01 Boustead House, Singapore 408937 on 30 July 2008 at 10.30 a.m. (or so soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day) for the purpose of considering and, if thought fit, passing, with or without any amendments, the Ordinary Resolutions set out in the Notice of EGM.

## 6. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder who is a registered holder of Shares or Depositor is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon



as possible and, in any event, so as to reach the registered office of the Company at 63 Ubi Avenue 1, #06-01 Boustead House, Singapore 408937 not less than 48 hours before the time fixed for holding of the EGM. The completion and return of the proxy form by a Shareholder, who is a registered holder of Shares or Depositor, will not prevent him from attending and voting at the EGM in person if he so wishes.

## **7. DIRECTORS' RECOMMENDATIONS**

- 7.1. The Directors are of the opinion that the Share Split is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the circular to be proposed at the EGM.
- 7.2. Save for Mr Wong Fong Fui and Mr Chong Ngien Cheong, the Directors are of the opinion that the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, save for Mr Wong Fong Fui and Mr Chong Ngien Cheong, the Directors recommend that Shareholders vote in favour of the ordinary resolution in respect of the Share Buy-Back Mandate to be proposed at the EGM. For the reason set out in paragraph 3.10.2(3)(c), Mr Wong Fong Fui and Mr Chong Ngien Cheong have abstained from (i) expressing an opinion on, and (ii) making a recommendation in respect of, the proposed Share Buy-Back Mandate.

## **8. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate and that there are no material facts the omission of which would make any statement in this Circular misleading.

## **9. NOTICE OF BOOKS CLOSURE DATE**

Notice is hereby given that subject to the approval of the Shareholders for the Share Split at the Extraordinary General Meeting, the Transfer Book and Register of Members of the Company will be closed at 5.00 p.m. on 20 August 2008 for the purpose of determining the Shareholders who hold any existing shares and which are each to be split into two shares pursuant to the Share Split. Accordingly, all completed and stamped transfer forms together with share certificates and registration fees must be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 by 5.00 p.m. on 20 August 2008.

## **10. DOCUMENTS FOR INSPECTION**

The Annual Report of the Company for financial year ended 31 March 2008 may be inspected at the registered office of the Company during normal business hours from the date hereof up to and including the date of the EGM.

Yours faithfully

**BOUSTEAD SINGAPORE LIMITED**

Mr Wong Fong Fui  
Chairman & Group Chief Executive Officer

## **BOUSTEAD SINGAPORE LIMITED**

(Incorporated in Singapore)  
(Company Registration Number: 197501036K)  
(the "Company")

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an **EXTRAORDINARY GENERAL MEETING** of the Company will be held at 63 Ubi Avenue 1, #06-01 Boustead House, Singapore 408937 on 30 July 2008 at 10.30 a.m. (or so soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

#### **ORDINARY RESOLUTION 1**

##### **THE PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO ORDINARY SHARES**

THAT:-

- (a) on and with effect from the Books Closure Date, every one ordinary share in the capital of the Company (both issued and unissued) be sub-divided into two ordinary shares and the issue and allotment of such number of new ordinary shares equal to the number of ordinary shares as at the Books Closure Date to members of the Company as at the Books Closure Date;
- (b) approval be and is hereby given for all of the shares comprised in the outstanding options granted under and in accordance with, the Boustead Share Option Scheme 2001, to be sub-divided in such manner that each of the ordinary shares issued pursuant thereto shall constitute two ordinary shares; and
- (c) the Directors of the Company and each of them be and are hereby authorised to do all acts and things as they may consider necessary or expedient to give effect to this Resolution.

#### **ORDINARY RESOLUTION 2**

##### **PROPOSED SHARE BUY-BACK MANDATE**

THAT:-

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire issued and fully-paid ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
  - (i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
  - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes 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, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");



- (b) 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 date of the passing of this Resolution and expiring on the earlier of:-
- (i) the date on which the next annual general meeting of the Company is held; or
  - (ii) the date by which the next annual general meeting of the Company is required by law to be held;
- (c) in this Resolution:-

**“Prescribed Limit”** means 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

**“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 a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price (as defined hereinafter),

where:-

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

**“Highest Last Dealt Price”** means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

**“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 Purchase.

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

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

BY ORDER OF THE BOARD

Alvin Kok  
Company Secretary  
Singapore  
14 July 2008

**IMPORTANT: Please read notes overleaf**

**Notes:-**

1. A member of the Company entitled to attend and vote at the above Meeting may appoint one or two proxies to attend and vote in his/her stead. Such proxies need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. This instrument of proxy must be signed by the appointer or his/her duly authorized attorney or, if the appointer is a body corporate, signed by a duly authorized 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 authorized representative or representatives in accordance with its Articles of Association 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 63 Ubi Avenue 1, #06-01 Boustead House, Singapore 408937 not less than 48 hours before the time fixed for holding the Extraordinary General Meeting.
6. Please insert in the space 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 130A of the Companies Act, Chapter 50 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 48 hours before the time fixed for holding the above Extraordinary General Meeting, as certified by CDP to the Company.
8. An illustration of the financial effects of a Share Buy-Back on the audited accounts of the Company and its subsidiaries, and the Company for the financial year ended 31 March 2008 is set out in paragraph 3.5 of the Circular to Shareholders dated 14 July 2008.

# BOUSTEAD SINGAPORE LIMITED

(Incorporated in Singapore)  
(Company Registration Number: 197501036K)

## PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

(Before completing this form, please see notes overleaf)

### IMPORTANT:

1. For investors who have used their CPF monies to buy Boustead Singapore Limited shares, this Circular is forwarded to them at the request of their CPF approved nominees and sent solely FOR INFORMATION ONLY.
2. 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.

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member / members of the above-named Company, hereby appoint Mr / Mrs / Ms

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to vote for me/us on my/our behalf and if necessary to demand a poll at the Extraordinary General Meeting of the Company to be held on 30 July 2008 at 10:30 a.m. (or so soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10:00 a.m. on the same day) and at any adjournment thereof in the manner indicated below:-

Ordinary Resolution 1	By Show of Hands		By Poll	
	For	Against	No. of Votes For	No. of Votes Against
To approve the proposed Share Split of each ordinary share in the capital of the Company into two ordinary shares and the issue of such number of new ordinary shares equal to the number of ordinary shares as at the Books Closure Date				
Ordinary Resolution 2	By Show of Hands		By Poll	
	For	Against	No. of Votes For	No. of Votes Against
To approve the proposed Share Buy-Back Mandate				

\* Please indicate your vote "For" or "Against" with an "x" within the box provided.

\*\* If you wish to exercise 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.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Total number of Shares held  
\_\_\_\_\_

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

IMPORTANT: Please read notes overleaf

**Notes:-**

1. A member of the Company entitled to attend and vote at the above Meeting may appoint one or two proxies to attend and vote in his/her stead. Such proxies need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. This instrument of proxy must be signed by the appointer or his/her duly authorized attorney or, if the appointer is a body corporate, signed by a duly authorized 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 authorized representative or representatives in accordance with its Articles of Association 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 63 Ubi Avenue 1, #06-01, Boustead House Singapore 408937 not less than 48 hours before the time fixed for holding the Extraordinary General Meeting.
6. Please insert in the space 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 130A of the Companies Act, Chapter 50 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 48 hours before the time fixed for holding the above Extraordinary General Meeting, as certified by CDP to the Company.

