

Circular dated 13 July 2009

**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**

#### **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

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

- |  |   |   |
|--|---|---|
| Last date and time for lodgment of Proxy Form  | : | 26 July 2009 at 10.30 a.m.  |
| Date and time of Extraordinary General Meeting | : | 28 July 2009 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         | : | 67 Ubi Avenue 1<br>#02-01 StarHub Green<br>Singapore 408942   |

## CONTENTS

|   | Page  |
|---|-------|
| <b>DEFINITIONS</b> .....  | 3     |
| <b>LETTER TO SHAREHOLDERS</b> .....                             | 5     |
| 1. INTRODUCTION.....  | 5     |
| 2. RATIONALE FOR AND BENEFIT OF THE SHARE BUY-BACK MANDATE..... | 5     |
| 3. AUTHORITY AND LIMITATIONS .....                              | 6     |
| 4. STATUS OF PURCHASED OR ACQUIRED SHARES .....                 | 8     |
| 5. SOURCE OF FUNDS .....  | 8     |
| 6. FINANCIAL EFFECTS .....                                      | 8     |
| 7. REPORTING REQUIREMENTS.....                                  | 14    |
| 8. SUSPENSION OF BUY-BACK OF SHARES .....                       | 15    |
| 9. LISTING STATUS .....   | 15    |
| 10. LAST 12 MONTHS.....   | 15    |
| 11. TAKE-OVER CODE IMPLICATION .....                            | 15    |
| 12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS .....    | 17    |
| 13. EXTRAORDINARY GENERAL MEETING.....                          | 17    |
| 14. ACTION TO BE TAKEN BY SHAREHOLDERS .....                    | 17    |
| 15. DIRECTORS' RECOMMENDATIONS.....                             | 18    |
| 16. RESPONSIBILITY STATEMENT .....                              | 18    |
| 17. DOCUMENTS FOR INSPECTION .....                              | 18    |
| <b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....            | N - 1 |
| <b>PROXY FORM FOR EXTRAORDINARY GENERAL MEETING</b>             |       |

## DEFINITIONS

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

|                           |   |  |
|---------------------------|---|--|
| “Articles”                | : | The Articles of Association of the Company.  |
| “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” | : | 5 June 2009, 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.  |
| “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.             |
| “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:**

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

To the Shareholders of  
Boustead Singapore Limited

13 July 2009

Dear Shareholders,

#### THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

---

#### 1. INTRODUCTION

- 1.1. Shareholders of the the Company had at an EGM held on 30 July 2008 granted their approval for the Share Buy-Back Mandate. Further details of the Company's Share purchases pursuant to this Share Buy-Back Mandate are set out in paragraph 10.
- 1.2. The Directors propose to convene an EGM to seek the approval of Shareholders for the proposed renewal of the Share Buy-Back Mandate to allow the Company to purchase its issued Shares in the capital of the Company.
- 1.3. The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to, the proposal set out above which will be tabled at the EGM.

#### 2. RATIONALE FOR AND BENEFIT OF THE SHARE BUY-BACK MANDATE

- 2.1. 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.
- 2.2. 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. AUTHORITY AND LIMITATIONS

3.1. 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:

#### 3.1.1. 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 506,245,524 Shares in issue (excluding 9,500,000 Shares held in treasury) as at the Latest Practicable Date and assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company and held as treasury shares, on or prior to the EGM, not more than 50,624,552 Shares (representing 10% of the Shares in issue as at that date excluding treasury shares) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

#### 3.1.2. 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.

#### 3.1.3. 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.

#### 3.1.4. 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.

#### 3.1.5. 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 Average Closing Price,

(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, immediately preceding the day of the Market Purchase by the Company, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;*

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

#### **4. STATUS OF PURCHASED OR ACQUIRED SHARES**

- 4.1. 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.
- 4.2. 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% 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 in 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.

#### **5. SOURCE OF FUNDS**

- 5.1. 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 utilised. 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**”).
- 5.2. 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.

#### **6. FINANCIAL EFFECTS**

- 6.1. 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 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 below.

- 6.2. 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.
- 6.3. For illustrative purposes only, assuming that the Company had purchased 50,624,552 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date (excluding Shares held in treasury), the financial effects on the audited financial statements of the Group and the Company for FY2009 would have been as follows:

6.3.1. 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 50,624,552 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\$0.81 per Share, which is 5% above the Average Closing Price of S\$0.77 per Share as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$41 million.

|  | Group                            |                                 | Company                          |                                 |
|--|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|  | Before Share Buy-Back<br>S\$'000 | After Share Buy-Back<br>S\$'000 | Before Share Buy-Back<br>S\$'000 | After Share Buy-Back<br>S\$'000 |
| <b>As at 31 March 2009</b>             |                                  |                                 |                                  |                                 |
| Share Capital and Reserves             | 194,329                          | 153,059                         | 89,416                           | 48,146                          |
| NTA <sup>(1)</sup>                     | 194,184                          | 152,914                         | 89,386                           | 48,116                          |
| Current Assets                         | 375,899                          | 334,629                         | 71,865                           | 37,478                          |
| Current Liabilities                    | 218,576                          | 218,576                         | 92,889                           | 99,772                          |
| Working Capital                        | 157,323                          | 116,053                         | (21,024)                         | (62,294)                        |
| Total Borrowings <sup>(2)</sup>        | 29,456                           | 29,456                          | -                                | -                               |
| Number of Shares ('000) <sup>(3)</sup> | 506,246                          | 455,621                         | 506,246                          | 455,621                         |
| <b>Financial Ratios</b>                |                                  |                                 |                                  |                                 |
| NTA per Share (cents)                  | 38.4                             | 33.6                            | 17.7                             | 10.6                            |
| EPS (cents) <sup>(4)</sup>             | 11.7                             | 12.9                            | 4.4                              | 4.8                             |
| Gearing Ratio (times) <sup>(5)</sup>   | 0.2                              | 0.2                             | -                                | -                               |
| Current Ratio (times) <sup>(6)</sup>   | 1.7                              | 1.5                             | 0.8                              | 0.4                             |

Notes:

(1) NTA equals share capital and reserves less goodwill and other intangible assets.

(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 0.70% per annum.

(5) Gearing ratio equals total borrowings divided by share capital and reserves.

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

As at 31 March 2009, the Group and the Company had cash and bank balances of approximately S\$180 million and S\$34 million, respectively. In order to effect a purchase of up to 50,624,552 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$41 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$7 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$7 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 2009 (adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 38.4 cents to 33.6 cents.

Assuming that the Market Purchase had taken place on 1 April 2008, the consolidated basic earnings per Share of the Group (adjusted for the related cost of funds) for financial year ended 31 March 2009 would be increased from 11.7 cents to 12.9 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 50,624,552 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\$0.81, which is 5% above the Average Closing Price of S\$0.77 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$41 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 2009</b>             |                       |                      |                       |                      |
| Share Capital and Reserves             | 195,341               | 195,054              | 90,428                | 90,141               |
| Shares held in treasury                | (1,012)               | (41,995)             | (1,012)               | (41,995)             |
| NTA <sup>(1)</sup>                     | 194,184               | 152,914              | 89,386                | 48,116               |
| Current Assets                         | 375,899               | 334,629              | 71,865                | 37,478               |
| Current Liabilities                    | 218,576               | 218,576              | 92,889                | 99,772               |
| Working Capital                        | 157,323               | 116,053              | (21,024)              | (62,294)             |
| Total Borrowings <sup>(2)</sup>        | 29,456                | 29,456               | -                     | -                    |
| Number of Shares ('000) <sup>(3)</sup> | 506,246               | 455,621              | 506,246               | 455,621              |
| <b>Financial Ratios</b>                |                       |                      |                       |                      |
| NTA per Share (cents)                  | 38.4                  | 33.6                 | 17.7                  | 10.6                 |
| EPS (cents) <sup>(4)</sup>             | 11.7                  | 12.9                 | 4.4                   | 4.8                  |
| Gearing Ratio (times) <sup>(5)</sup>   | 0.2                   | 0.2                  | -                     | -                    |
| Current Ratio (times) <sup>(6)</sup>   | 1.7                   | 1.5                  | 0.8                   | 0.4                  |

Notes:

- (1) NTA equals share capital, shares held in treasury and reserves less goodwill and other intangible assets.
- (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 0.70% per annum.
- (5) Gearing ratio equals total borrowings divided by share capital, shares held in treasury and reserves.
- (6) Current ratio equals current assets divided by current liabilities.

As at 31 March 2009, the Group and the Company had cash and bank balances of approximately S\$180 million and S\$34 million, respectively. In order to effect a purchase of up to 50,624,552 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$41 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$7 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$7 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 2009 (adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 38.4 cents to 33.6 cents.

Assuming that the Market Purchase had taken place on 1 April 2008, the consolidated basic earnings per Share of the Group (adjusted for the related cost of funds) for financial year ended 31 March 2009 would be increased from 11.7 cents to 12.9 cents per Share as a result of the reduction in the number of issued Shares.

### 6.3.2. 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 50,624,552 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\$0.92, which is 20% above the Average Closing Price of S\$0.77 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$47 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 2009</b> |                       |                      |                       |                      |
| Share Capital and Reserves | 194,329               | 147,163              | 89,416                | 42,250               |
| NTA <sup>(1)</sup>         | 194,184               | 147,018              | 89,386                | 42,220               |
| Current Assets             | 375,899               | 328,733              | 71,865                | 37,478               |
| Current Liabilities        | 218,576               | 218,576              | 92,889                | 105,668              |
| Working Capital            | 157,323               | 110,157              | (21,024)              | (68,190)             |

|  | 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              |
| Total Borrowings <sup>(2)</sup>        | 29,456                | 29,456               | -                     | -                    |
| Number of Shares ('000) <sup>(3)</sup> | 506,246               | 455,621              | 506,246               | 455,621              |
| <b>Financial Ratios</b>                |                       |                      |                       |                      |
| NTA per Share (cents)                  | 38.4                  | 32.3                 | 17.7                  | 9.3                  |
| EPS (cents) <sup>(4)</sup>             | 11.7                  | 12.9                 | 4.4                   | 4.8                  |
| Gearing Ratio (times) <sup>(5)</sup>   | 0.2                   | 0.2                  | -                     | -                    |
| Current Ratio (times) <sup>(6)</sup>   | 1.7                   | 1.5                  | 0.8                   | 0.4                  |

*Notes:*

- (1) *NTA equals share capital and reserves less goodwill and other intangible assets.*
- (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 0.70% per annum.*
- (5) *Gearing ratio equals total borrowings divided by share capital and reserves.*
- (6) *Current ratio equals current assets divided by current liabilities.*

As at 31 March 2009, the Group and the Company had cash and bank balances of approximately S\$180 million and S\$34 million, respectively. In order to effect a purchase of up to 50,624,552 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$47 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$13 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$13 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 2009 (adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 38.4 cents to 32.3 cents.

Assuming that the Off-Market Purchase had taken place on 1 April 2008, the consolidated basic earnings per Share of the Group (adjusted for the related cost of funds) for financial year ended 31 March 2009 would be increased from 11.7 cents to 12.9 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 50,624,552 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\$0.92, which is 20% above the Average Closing Price of S\$0.77 as at the Latest Practicable Date, the maximum amount of funds required is approximately S\$47 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 2009</b>             |                       |                      |                       |                      |
| Share capital and Reserves             | 195,341               | 195,013              | 90,428                | 90,100               |
| Shares held in treasury                | (1,012)               | (47,850)             | (1,012)               | (47,850)             |
| NTA <sup>(1)</sup>                     | 194,184               | 147,018              | 89,386                | 42,220               |
| Current Assets                         | 375,899               | 328,733              | 71,865                | 37,478               |
| Current Liabilities                    | 218,576               | 218,576              | 92,889                | 105,668              |
| Working Capital                        | 157,323               | 110,157              | (21,024)              | (68,190)             |
| Total Borrowings <sup>(2)</sup>        | 29,456                | 29,456               | -                     | -                    |
| Number of Shares ('000) <sup>(3)</sup> | 506,246               | 455,621              | 506,246               | 455,621              |
| <b>Financial Ratios</b>                |                       |                      |                       |                      |
| NTA per Share (cents)                  | 38.4                  | 32.3                 | 17.7                  | 9.3                  |
| EPS (cents) <sup>(4)</sup>             | 11.7                  | 12.9                 | 4.4                   | 4.8                  |
| Gearing Ratio (times) <sup>(5)</sup>   | 0.2                   | 0.2                  | -                     | -                    |
| Current Ratio (times) <sup>(6)</sup>   | 1.7                   | 1.5                  | 0.8                   | 0.4                  |

**Notes:**

- (1) *NTA equals share capital, shares held in treasury and reserves less goodwill and other intangible assets.*
- (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 0.70% per annum.*
- (5) *Gearing ratio equals total borrowings divided by share capital, shares held in treasury and reserves.*
- (6) *Current ratio equals current assets divided by current liabilities.*

As at 31 March 2009, the Group and the Company had cash and bank balances of approximately S\$180 million and S\$34 million, respectively. In order to effect a purchase of up to 50,624,552 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves from the Group of S\$47 million will be required. The Company has insufficient cash and bank balances and will need to borrow S\$13 million to finance the purchase or acquisition.

For purposes of this illustration, it is assumed that the Company borrows S\$13 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 2009 (adjusted for the number of issued Shares as at the Latest Practicable Date) will also decrease from 38.4 cents to 32.3 cents.

Assuming that the Off-Market Purchase had taken place on 1 April 2008, the consolidated basic earnings per Share of the Group (adjusted for the related cost of funds) for financial year ended 31 March 2009 would be increased from 11.7 cents to 12.9 cents per Share as a result of the reduction in the number of issued Shares.

- 6.4. **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 FY2009 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.**
- 6.5. Share Buy-Backs 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.
- 6.6. **Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy-Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.**

## **7. REPORTING REQUIREMENTS**

- 7.1. The Companies Act and the Listing Rules require the Company to make reports in relation to the Share Buy-Back Mandate as follows:
- 7.1.1. 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**");
- 7.1.2. 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;
- 7.1.3. 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; and
- 7.1.4. When seeking the approval of Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to purchases of Shares made by the Company during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, and where relevant, the total consideration paid for such purchases. Further details of the Company's Share purchases in the last 12 months pursuant to the previous Share Buy-Back Mandate are set out in paragraph 10.



## 8. 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 results, and ending on the date of announcement of the relevant results.**

## 9. LISTING STATUS

- 9.1. 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.
- 9.2. As at the Latest Practicable Date, 174,155,800 Shares representing 34.40% of the Shares (excluding treasury shares) of the Company are held in the hands of the public by an aggregate of 2,057 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 27.11%. 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.
- 9.3. As at the Latest Practicable Date, the Company has no securities apart from its Shares listed on the SGX-ST.

## 10. LAST 12 MONTHS

In the last 12 months preceding the Latest Practicable Date, the Company had purchased 9,500,000 Shares by way of Market Purchases pursuant to the Share Buy-Back Mandate granted at the EGM held on 30 July 2008. The highest and lowest price paid was S\$0.86 and S\$0.40 per Share respectively. The total consideration paid for all of the purchases was S\$4,218,133.25.

## 11. TAKE-OVER CODE IMPLICATION

- 11.1. Pursuant to Appendix 2 of the Take-over Code (“**Appendix 2**”), 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.

- 11.2. 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.
- 11.3. 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.
- 11.4. 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:
- 11.4.1. the voting rights of such Directors and their concert parties would increase to 30% or more; or
- 11.4.2. 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.
- 11.5. 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.
- 11.6. 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.
- 11.7. Mr Wong Fong Fui and Mr Chong Ngien Cheong are considered to be concert parties under the Take-over Code. Based on the list of Substantial Shareholders set out in [paragraph 12](#), in the event that the aggregate shareholding of Mr Wong Fong Fui and his concert party, Mr Chong Ngien Cheong, increases by more than one per cent. in any six-month period as a result of the the Share Buy-Backs, Mr Wong and Mr Chong may have to make a general offer in respect of the Shares in the Company they do not own.



## 12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

| Directors                             | Direct Interest | % <sup>(1)</sup> | Deemed Interest           | % <sup>(1)</sup> | Total Interest | % <sup>(1)</sup> |
|---------------------------------------|-----------------|------------------|---------------------------|------------------|----------------|------------------|
| Mr Wong Fong Fui                      | 166,069,208     | 32.80            | -                         | -                | 166,069,208    | 32.80            |
| Mr Saiman Ernawan                     | -               | -                | 44,430,792 <sup>(2)</sup> | 8.78             | 44,430,792     | 8.78             |
| Mr Tong Weng Leong                    | 2,797,936       | 0.55             | 1,216,000 <sup>(3)</sup>  | 0.24             | 4,013,936      | 0.79             |
| Mr Loh Kai Keong                      | 503,976         | 0.10             | 500,000 <sup>(3)</sup>    | 0.10             | 1,003,976      | 0.20             |
| Mr Chong Ngien Cheong                 | 400,000         | 0.08             | 22,784,000 <sup>(4)</sup> | 4.50             | 23,184,000     | 4.58             |
| Mr John Lim Kok Min                   | 426,000         | 0.08             | -                         | -                | 426,000        | 0.08             |
| Mr Godfrey Ernest<br>Scotchbrook      | -               | -                | 1,000,000 <sup>(3)</sup>  | 0.20             | 1,000,000      | 0.20             |
| Mr Yeo Ker Kuang                      | 7,953,420       | 1.57             | 4,280,000 <sup>(5)</sup>  | 0.85             | 12,233,420     | 2.42             |
| <b>Substantial Shareholders</b>       |                 |                  |                           |                  |                |                  |
| Wong Fong Fui                         | 166,069,208     | 32.80            | -                         | -                | 166,069,208    | 32.80            |
| Chartered Asset<br>Management Pte Ltd | -               | -                | 45,026,000 <sup>(3)</sup> | 8.89             | 45,026,000     | 8.89             |
| Saiman Ernawan                        | -               | -                | 44,430,792 <sup>(2)</sup> | 8.78             | 44,430,792     | 8.78             |
| Marrickville Group<br>Limited         | -               | -                | 44,430,792 <sup>(3)</sup> | 8.78             | 44,430,792     | 8.78             |
| Chew Leong Chee                       | -               | -                | 29,400,000 <sup>(6)</sup> | 5.81             | 29,400,000     | 5.81             |
| CAM-GTF Limited                       | -               | -                | 27,740,000 <sup>(3)</sup> | 5.48             | 27,740,000     | 5.48             |

Notes:

- (1) Based on 506,245,524 Shares in issue (excluding 9,500,000 Shares held in treasury) as of the Latest Practicable Date.
- (2) Mr Saiman Ernawan is deemed interested in the Shares held by Marrickville Group Limited.
- (3) The deemed interests of these Directors/Substantial Shareholders are held in the names of nominees.
- (4) 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.
- (5) Mr Yeo Ker Kuang's deemed interest arises from the direct interest in the Company held by his spouse and children.
- (6) Mr Chew Leong Chee has a deemed interest in respect of (a) 20,000,000 Shares held by Representations International (HK) Ltd, (b) 8,000,000 Shares held by Macondray & Company Inc, (c) 1,000,000 Shares held by Air Alliance Pte Ltd and (d) 400,000 Shares held by Eurolife Limited through its nominee, UOB Kay Hian Pte Ltd.

## 13. EXTRAORDINARY GENERAL MEETING

An EGM, notice of which is set out on page N-1 of this Circular, is to be convened and held at 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942 on 28 July 2009 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 Resolution set out in the Notice of EGM.

## 14. 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 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942 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.

**15. DIRECTORS' RECOMMENDATIONS**

The Directors are of the opinion that the Share Buy-Back Mandate 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 Share Buy-Back Mandate to be proposed at the EGM.

**16. 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.

**17. DOCUMENTS FOR INSPECTION**

The Annual Report of the Company for financial year ended 31 March 2009 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 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942 on 28 July 2009 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 resolution:

### ORDINARY RESOLUTION - PROPOSED RENEWAL OF THE 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 (excluding any Shares which are held as treasury shares as at that date); 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 Average Closing Price,

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, immediately preceding the day of the Market Purchase by the Company, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market 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  
13 July 2009

**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 authorised attorney or, if the appointer is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.
4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its 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 67 Ubi Avenue 1, #02-01, StarHub Green, Singapore 408942 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 financial statements of the Group and the Company for the financial year ended 31 March 2009 is set out in paragraph 6 of the Circular to Shareholders dated 13 July 2009.

*This page has been intentionally left blank.*

# 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 28 July 2009 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   | By Show of Hands |         | By Poll          |                      |
|---|------------------|---------|------------------|----------------------|
|   | For              | Against | No. of Votes For | No. of Votes Against |
| To approve the proposed renewal of the 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 \_\_\_\_\_ 2009

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 authorised attorney or, if the appointer is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.
4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its 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 67 Ubi Avenue 1, #02-01, StarHub Green, Singapore 408942 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.

