

Company Announcement



Boustead Projects Limited
(Co. Reg. No. 199603900E)

82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

SALE OF 25 CHANGI NORTH RISE

Singapore, 7 September 2017

1) Introduction

The Board of Directors of Boustead Projects Limited (the "Company" and together with its subsidiaries, the "Boustead Projects Group") is pleased to announce that BP-UMS Pte Ltd ("BP-UMS"), a wholly-owned subsidiary of the Company, has on 7 September 2017 entered into a sale and purchase agreement (the "Agreement") for the sale (the "Proposed Sale") of the leasehold interest in the land and buildings erected on Lot 4468K of Mukim 31 at 25 Changi North Rise, Singapore 498778 (the "Property").

2) Rationale for Disposal

BP-UMS was granted a land lease of thirty (30) years commencing on 1 February 2007 by JTC Corporation ("JTC"), the head lessee of the Property. The Property was developed by BP-UMS under a design-build-and-lease arrangement with the anchor tenant, UMS. The Property received its temporary occupation permit on 8 October 2007. Due to the relatively short land lease tenure remaining of approximately twenty (20) years, the Company has decided that the Proposed Sale would be in its best interest and would allow redeployment of the consideration from the Proposed Sale for the purposes of investment and growth of the Company's core businesses.

3) Principal Terms of Sale

- a) The consideration to be paid to the Company for the Proposed Sale is S\$10.5 million (exclusive of goods and services tax) (the "Purchase Price") and was derived on a willing buyer, willing seller basis after taking into account various commercial factors, the market value and net book value of the Property. The Purchase Price is in line with an independent valuation obtained as at 6 September 2017 from TEHO Property Consultants Pte Ltd.
- b) The completion of the Proposed Sale is conditional upon, amongst others, certain conditions as follows:
 - i) JTC's in-principle approval in writing of the Proposed Sale of the Property and the change of use of the Property; and
 - ii) JTC's confirmation in writing to BP-UMS that it has no objections to the execution of the instrument of transfer of the Property.

- c) The Proposed Sale shall be completed no later than the date falling six (6) months from the date of submission of the application of assignment to JTC for JTC's approval, unless otherwise agreed in writing by the parties to the Agreement.

4) Financial Effects

Prior to the completion of the Proposed Sale, the Property has a net book value ("Net Book Value") of approximately S\$4.5 million. The excess of the proceeds of the Property over its Net Book Value is approximately S\$6.0 million.

The Proposed Sale is due for completion during the financial year ending 31 March 2018 ("FY2018"). Upon completion, the Proposed Sale is expected to have a material positive impact on the earnings per share of the Boustead Projects Group ("Group") based on the latest audited accounts of the Group for the financial year ending 31 March 2017 ("FY2017").

5) Miscellaneous

A copy of the Agreement will be available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours for a period of three (3) months from the date of this announcement.

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, food, healthcare and pharmaceutical, high-tech manufacturing, lifestyle, logistics, oil & gas, precision engineering, research & development, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited, a progressive global infrastructure-related engineering services and geo-spatial technology group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Contact Information

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