

Company Announcement



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

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

DISPOSAL OF WHOLLY-OWNED SUBSIDIARY BP-DC PTE LTD

Singapore, 16 January 2017

1) Introduction

The Board of Directors (the "**Board**") of Boustead Projects Limited (the "**Company**") and together with its subsidiaries, the "**Boustead Projects Group**") wishes to announce that the Company has on 16 January 2017 entered into a sale and purchase agreement (the "**Agreement**") with Al Sariya Real Estate L.P. (the "**Purchaser**") for the disposal (the "**Disposal**") by the Company to the Purchaser of:

- a) the Sale Shares (defined below) representing the entire issued and paid-up share capital of BP-DC Pte Ltd ("**BP-DC**"), which is a limited liability partner of BP-DoJo LLP ("**BP-DoJo**"); and
- b) the Transferred Loan (defined below) by way of novation of the Loan Agreement (defined below) to the Purchaser.

2) Information on BP-DC, BP-DoJo and Purchaser

BP-DC

BP-DC is a company incorporated in Singapore on 24 August 2015 and has, as at the date of the Agreement, an issued and paid-up capital of S\$2.00 divided into two (2) ordinary shares, of which the Company is the legal and beneficial owner of the two (2) issued and paid-up ordinary shares, representing 100% of the equity holding in BP-DC (the "**Sale Shares**"). BP-DC is principally engaged in the development of industrial real estate for sale and/or lease.

BP-DoJo

BP-DoJo is a limited liability partnership under the laws of Singapore. The limited liability partners of BP-DoJo are the Company and BP-DC. As at the date of the Agreement, the proportion of the Company's and BP-DC's contributions to the capital of BP-DoJo are 51% and 49% respectively.

As announced by the Company on 21 November 2016 (the "**Award Announcement**"), BP-DoJo has been awarded a JTC Corporation ("**JTC**") concept and price tender to develop a multi-tenanted business park development (the "**Development**") located at the 19-hectare Mediapolis within JTC's 200-hectare one-north development. Details of the Development are set out in the Award Announcement.

The Purchaser

The Purchaser is a Bermuda limited partnership.

3) Rationale for the Disposal

The Company, the Purchaser and Boustead Funds Management Pte Ltd ("**BFM**") had entered into a Framework Agreement dated 27 August 2014 in relation to, *inter alia*, the arrangements between the Company and the Purchaser to co-invest in certain specified types of industrial properties in Singapore and the management and administration of such industrial properties by BFM under the Boustead Development Partnership.

The Company had earlier stated in the Award Announcement that, subject to JTC's approval, there is an intention for the Boustead Development Partnership to be involved in the Development. The Disposal is undertaken as planned in connection with the involvement of Boustead Development Partnership in the Development, following the receipt of JTC's approval.

4) Principal Terms of the Disposal

Completion date

The Disposal was completed on 16 January 2017 (the "**Completion Date**").

Consideration for Sale Shares

The consideration paid by the Purchaser to the Company for the Sale Shares is S\$2.00, being the paid-up capital of BP-DC.

Details of and consideration for Transferred Loan

The Company and BP-DC had on 10 November 2016 entered into a loan agreement (the "**Loan Agreement**"), pursuant to which the Company agreed to grant to BP-DC loans of an aggregate principal amount of S\$15,500,000 on the terms and subject to the conditions of the Loan Agreement.

As at the Completion Date, the aggregate amount due or owing to the Company by BP-DC under the Loan Agreement is S\$14,956,699 (the "**Transferred Loan**").

Pursuant to the Agreement, the Company disposed to the Purchaser, and the Purchaser purchased from the Company, the Transferred Loan and all rights, title and interest of the Company in the Transferred Loan, free from all encumbrances. The consideration for the Transferred Loan is S\$14,970,368 ("**Novated Loan Price**"), such consideration to be paid by the Purchaser to the Company on 31 January 2017 (or such other date as the Parties may mutually agree in writing) ("**NLP Payment Date**"). The Novated Loan Price is calculated based on the aggregate amount due or owing to the Company by BP-DC under the Loan Agreement as at the Completion Date plus agreed interest payable from the Completion Date to the NLP Payment Date (inclusive).

5) **Financial Effects**

The financial effects of the Disposal on the Boustead Projects Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Boustead Projects Group immediately after the completion of the Disposal. The financial effects of the Disposal set out below have been prepared based on the audited consolidated financial statements of the Boustead Projects Group for the financial year ended 31 March 2016 ("**FY2016**").

Share capital

The Disposal will have no impact on the Company's issued share capital.

Net tangible assets ("**NTA**")

The Disposal is not expected to have a material effect on the NTA per share of the Boustead Projects Group for FY2016, assuming that the Disposal had been effected on 31 March 2016.

Earnings per Share ("**EPS**")

The Disposal is not expected to have a material effect on the EPS of the Boustead Projects Group for FY2016, assuming that the Disposal had been effected on 1 April 2015.

Other financial information

Prior to the completion of the Disposal, the Sale Shares have an unaudited negative net book value ("**Net Book Value**") (and also negative net tangible asset value) of S\$421. The excess of the proceeds of the Sale Shares over its Net Book Value is approximately S\$423. Based on the latest announced unaudited financial statements of the Boustead Projects Group for 2Q FY2017 as at 30 September 2016, there is neither net profit nor net loss attributable to the Sale Shares.

As at the date of Agreement, the unaudited Net Book Value (and also net tangible asset value) attributable to the Transferred Loan is S\$14,956,699. The value of the Transferred Loan as of the NPL Payment Date would have been S\$14,970,368, which is the same as the Novated Loan Price or proceeds of the Transferred Loan. There is also neither gain nor loss on the disposal of the Transferred Loan. Based on the latest announced unaudited financial statements of the Boustead Projects Group for 2Q FY2017, there is neither net profit nor net loss attributable to the Transferred Loan from the perspective of the Boustead Projects Group.

The Company intends to use the proceeds from the Disposal to fund future projects and the working capital requirements of the Boustead Projects Group.

6) **Rule 1006**

Based on the latest announced unaudited financial statements of the Boustead Projects Group as at 30 September 2016, the relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”) are as follows:

Rule 1006	Bases	Relative figure (%)
a)	Net asset value of assets disposed of, as compared with the Boustead Projects Group’s net asset value ⁽¹⁾	7.23%
b)	Net profit attributable to the assets disposed of, compared with the Boustead Projects Group’s net profits ⁽²⁾	Not meaningful
c)	Aggregate value of the consideration received for the Disposal, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾	6.36%
d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

- 1) The Boustead Projects Group’s net asset value as at 30 September 2016 is S\$206,878,000. The unaudited net asset value of the Sale Shares and Transferred Loan as of the date of the Agreement is S\$14,956,278.
- 2) The relative figure calculated under Rule 1006(b) is not meaningful as there is neither net profit nor net loss attributable to the Sale Shares nor Transferred Loan for 1H FY2017 ended 30 September 2016 as compared to the Boustead Projects Group’s net profit before income tax, minority interests and extraordinary items of S\$16,315,000 for the same period.
- 3) Based on the closing market price of S\$0.735 on 13 January 2017, the market capitalisation of the Company is S\$235,200,000 based on the total number of issued shares (excluding treasury shares) of 320,000,000.

On the basis of Rule 1006 above, the Disposal is a “discloseable transaction” as defined in Rule 1010 of the SGX-ST Listing Manual.

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

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

8) **Directors’ Service Contracts**

No person is proposed to be appointed as a director of the Company in relation to the Disposal or any other transactions contemplated in relation to the Disposal.

9) Miscellaneous

A copy of the Agreement is 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.

By Order of the Board

Tay Chee Wah
Company Secretary

Boustead Projects Limited's admission to and listing on the Singapore Exchange Securities Trading Limited was sponsored by CIMB Bank Berhad, Singapore Branch. CIMB Bank Berhad, Singapore Branch assumes no responsibility for the contents of this announcement.

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) 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. We are 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, electronics, food processing, healthcare, high-tech manufacturing, lifestyle, logistics, oil & gas, petrochemical, precision engineering, R&D, 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 U.S. Green Building Council's Leadership in Energy & Environmental Design Program. In Singapore, we are 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 (SGX:F9D), 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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