

Company Announcement



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

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

PROPOSED ACQUISITION OF 6 TAMPINES INDUSTRIAL AVENUE 5, SINGAPORE 528760

Singapore, 1 October 2019

1) Introduction

The Board of Directors ("**Board**") of Boustead Projects Limited ("**Company**", and together with its subsidiaries, the "**Boustead Projects Group**") wishes to announce that BP-TPM LLP, a 51%-owned joint venture of the Company ("**Purchaser**"), has on 30 September 2019 entered into a sale and purchase agreement (the "**SPA**") with the registered proprietor ("**Vendor**") of the land and existing industrial building and structures at 6 Tampines Industrial Avenue 5, Singapore 728760 ("**Property**"), for the transfer of the leasehold interest in the Property to the Purchaser ("**Proposed Acquisition**").

2) Particulars of the Property

The Property is held by the Vendor on a 30-year lease granted by JTC Corporation as the head lessor commencing from 10 May 2009, with an option to renew for a further 30 years at the prevailing market rent as determined by JTC Corporation.

3) Information on the Purchaser

The Proposed Acquisition is undertaken as an investment of the Boustead Development Partnership established by the Company and Al Sariya Real Estate L.P. (a Bermuda limited partnership) ("**ASRE**") under the Framework Agreement dated 27 August 2014.

The Purchaser is a limited liability partnership incorporated in Singapore. The limited liability partners of the Purchaser are BP-TPM 1 Pte. Ltd. and Tampines Eagle Pte. Ltd, which hold partnership interests of 51% and 49% in the Purchaser. BP-TPM1 Pte. Ltd. is a wholly-owned subsidiary of the Company. Tampines Eagle Pte. Ltd. is wholly-owned by ASRE.

Upon completion, it is also intended for the Purchaser to award a contract for asset enhancement works to the Property to Boustead Projects E&C Pte. Ltd., a subsidiary of the Company.

4) Rationale for the Proposed Acquisition

The Company intends to enter into the Proposed Acquisition (through its indirect holding in the Purchaser) for the purposes of deriving long-term leasing income. The Property is sold with vacant possession. The Proposed Acquisition is made in the ordinary course of the Company's real estate business as a developer-owner of properties.

5) Principal Terms of the Proposed Acquisition

Consideration

The purchase price for the transfer of the Property is a cash consideration of S\$77,400,000.00 (excluding stamp duty and goods and service tax) ("Purchase Price"), which will be satisfied in the following manner:

- (a) An initial deposit of S\$1,161,000 which will be applied towards payment of the Purchase Price upon Completion;
- (b) A second deposit of S\$2,709,000 which will be paid in cash on the date of execution of the SPA and applied towards payment of the Purchase Price upon Completion;
- (c) Such amount as may be payable to JTC Corporation, the head lessor of the Property, in respect of upfront land premium in consideration of the Proposed Acquisition; and
- (d) The balance purchase price less the amounts in (a), (b) and (c) above will be paid in cash to the Vendor on the date of completion.

The Purchase Price will be financed partly by equity and partly by bank borrowings. The Company's share of equity contribution is S\$14.2 million.

Condition Precedent

The Proposed Acquisition is subject to JTC Corporation (as head lessor of the Property) granting its consent for the Proposed Acquisition ("Assignment Approval") and giving its confirmation that it has no objection to the execution of the instrument of transfer of the Property and that the Purchaser and the Vendor may proceed with completion no later than 120 days after the date of the SPA ("Condition Precedent"), and provided the terms of such Assignment Approval are satisfactory to the Purchaser and the Vendor, except for the terms which the Purchaser and Vendor have agreed in the SPA.

Completion Date

The Completion Date shall be seven (7) business days after the issuance of a Fulfilment Notice by the Vendor upon satisfaction of the Conditions Precedent, and provided the Purchaser has demonstrated to the Vendor that it has complied with the terms of the Assignment Approval.

6) Financial Effects

The Proposed Acquisition is not expected to have a material effect on the net tangible assets per share or earnings per share of the Boustead Projects Group for the current financial year ending 31 March 2020.

7) Interest of Directors and Controlling Shareholders

None of the directors of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company.

By Order of the Board

Tay Chee Wah
Company Secretary

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of 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 Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – Industry 4.0 transformation standards and full-fledged integrated digital delivery – are shaping custom-built future-ready developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments 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 eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 SHARP Awards to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering and technology group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Contact Information

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