

Company Announcement



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

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

DISPOSAL OF CP-SH1 PTE LTD

Singapore, 18 July 2019

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's wholly-owned subsidiary, BP-GD1 Pte. Ltd. (the "**Vendor**"), has on 18 July 2019 entered into a sale and purchase agreement (the "**Agreement**") with The Platform-Hanwha ARESF Fund No. 1 (the "**Purchaser**") for the disposal (the "**Disposal**") by the Company to the Purchaser of:

- a) the Sale Share (defined below) representing the entire issued and paid-up share capital of CP-SH1 Pte Ltd ("**CP**"), which is a limited liability partner of BP-Braddell LLP ("**LLP**"); and
- b) the Transferred Loan (defined below) by way of novation of the Loan Agreement (defined below) to the Purchaser.

As announced by the Company on 28 September 2018 (the "**Award Announcement**"), BP-SH1 Pte. Ltd. ("**SH1**") was the successful tenderer for a JTC Corporation tender under the Industrial Government Land Sales Programme for the land parcel also known as Lot MK17-10824P at Braddell Road (the "**Site**"). The LLP had entered into a building agreement with the President of the Republic of Singapore, under which, the LLP is to develop the Site.

As at the date of the Agreement, the proportion of CP's and SH1's contributions to the capital of the LLP are 49% and 51% respectively.

Upon completion of the Disposal, CP will cease to be an indirect wholly-owned subsidiary of the Company.

2) Information on the Purchaser

The Purchaser

The Purchaser is a professional investor private investment trust duly formed under the laws of the Republic of Korea.

3) Rationale for the Disposal

The syndication of 50% of the economic interest in the LLP through the Disposal is in line with the Company's broader strategy to recycle capital for business expansion, and to form strategic collaborations with capital partners such as the

Purchaser for more co-investment opportunities in Singapore and the Southeast Asia region.

4) **Principal Terms of the Disposal**

4.1. Completion date

Subject to certain conditions precedent set out in the Agreement being satisfied, the completion date for the transfer of the Sale Share and the Transferred Loan is the earlier of (1) 30 business days after the date of the Agreement, or (2) the second business day after all Conditions Precedent have been fully satisfied or waived (the "**Completion Date**").

4.2. Consideration for Sale Shares

The consideration paid by the Purchaser to the Vendor for the Sale Share is S\$1.00, being the paid-up capital of CP.

Based on unaudited management accounts, as at 18 July 2019, the Sale Share has an unaudited negative net book value ("**Net Book Value**") of S\$4,906.

The consideration was arrived at after arm's length negotiations on a willing buyer, willing seller basis based on arms' length negotiations, taking into account the Net Book Value of the Sale Share.

4.3. Consideration for Transferred Loan

The Vendor and CP had on 28 June 2019 entered into a loan agreement (the "**Loan Agreement**"), pursuant to which the Vendor agreed to grant to CP loans of an aggregate principal amount of S\$14,999,999 on the terms and subject to the conditions of the Loan Agreement.

Based on unaudited accounts, as at 31 March 2019, the Net Book Value (and also net tangible asset value) attributable to the Transferred Loan was S\$7,957,084.23. Due to drawdown of an additional amount of S\$245,000 prior to the date of the Agreement, the unaudited Net Book Value of the Transferred Loan as of the date of the Agreement has increased to S\$8,202,084.23 ("**Transferred Loan**").

Pursuant to the Agreement, the Vendor is to transfer to the Purchaser all rights, title and interest of the Vendor in the Transferred Loan, free from all encumbrances. The consideration for the Transferred Loan is S\$8,202,084.23 ("**Novated Loan Price**"), being the amount of the Transferred Loan, and shall be paid by the Purchaser to the Company on the Completion Date.

4.4. Purchaser's Undertaking to Increase Capital

Pursuant to the Agreement, CP and SH1 will enter into a LLP Agreement with effect from the Completion Date, under which CP shall contribute additional partnership capital of S\$2.00 to the LLP upon (1) issuance of the temporary occupation permit in respect of the Site, and (2) any undertakings given by SH1 to any third party no longer being applicable, or SH1 otherwise being no longer legally bound by such undertaking. After the capital contribution is made by CP, the interests of CP and SH1 in the LLP shall be equal shares of 50% each.

4.5. Put Option

The Company will also enter into a Put Option Agreement with the Purchaser on the Completion Date, under which the Company or its specified nominee agrees to purchase all the rights, title and interests of the Purchaser in the issued and paid-up share capital of CP, and the Transferred Loan ("Put Option"), subject to conditions precedent being satisfied. In the event the Put Option is exercised, the consideration payable by the Company to the Purchaser shall be equal to the paid-up share capital of CP (at completion) plus the amount outstanding under the Transferred Loan. The Put Option shall lapse if it is not exercised within 10 business days after it becomes available for exercise, or upon issuance of a temporary occupation permit for the Site, whichever is earlier.

5) Financial Effects

The Disposal is not expected to have a material impact on the NTA per share or the earnings per share of the Boustead Projects Group for the financial year ending 31 March 2020.

6) Relative Figures Under Chapter 10 of the Listing Manual

As each of the relative figures for the Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**") is less than 5%, the Disposal constitutes a non-discloseable transaction for purposes of Chapter 10 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) 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

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 seven 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 11 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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