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Boustead Projects secures contract for R&D centre

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After completing Continental Building Phases 1 & 2, Boustead Projects has secured the new Phase 3 project

Singapore

INDUSTRIAL real estate solutions provider, Boustead Projects, announced yesterday that its co-investment partnership, the Boustead Development Partnership (BDP), has secured a development contract for a new research and development (R&D) centre.

The centre, referred to as Continental Building Phase 3, will be developed for Continental Automotive Singapore – an R&D hub owned by global automotive supplier Continental Corporation.

Boustead Projects said in its announcement that Continental Building Phase 3 will adjoin the hub's existing Continental Building at 80 Boon Keng Road within Kallang iPark. The building is home to one of Continental Corporation's largest R&D centres in Asia.

It added that Continental Building Phase 3 will comprise about 11,151 square metres of gross floor area (GFA) when completed. Construction is expected to start this month and be completed by the first quarter of next year. Continental Building Phases 1 and 2 were also developed by Boustead Projects, under design-build-and-lease arrangements, and completed in 2012 and 2014, respectively.

Boustead Projects said the BDP is awarding the design-and-build contract for Continental

Building Phase 3 to Boustead Projects E&C – Boustead Projects' wholly owned design-and-build subsidiary.

The deal raises the Boustead Projects Group's order-book backlog – which it defines as unrecognised project revenue at the end of September 2016, plus the total value of new orders secured since then – to S\$149 million.

It will also bring Boustead Projects' portfolio of industrial leasehold facilities located within Singapore, both wholly owned and jointly owned, to 18 properties, with an expected GFA of 239,000 square metres.

Boustead Projects added that this development contract is not expected to have a material impact on the profitability, earnings per share or net tangible asset value per share of the Boustead Projects Group in the current financial year ending March 31, 2017.

Wong Yu Wei, deputy chairman and executive director of Boustead Projects, said: "Moving forward, as we drive a greater portion of our business through development activities, we will endeavour to deploy our capital prudently into projects that can further diversify our income streams and expand our recurring income base."

Boustead Projects shares ended 1 cent higher yesterday at \$0.735 apiece.