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Boustead inks deal to develop integrated production and warehouse facility for long-term lease to Amcor

by Rachel Mui

BOUSTEAD Development Partnership (BDP) has secured a development contract for a new integrated production and warehouse facility, Boustead Projects announced on Wednesday.

BDP is a co-investment partnership between mainboard-listed Boustead Projects and the Abu Dhabi Investment Council.

The new facility will be leased on a long-term basis to Amcor Flexibles Singapore, a unit of Amcor, which is listed on the Australian stock exchange. The group produces packaging for a variety of consumer products including F&B (food and beverage) and pharmaceutical items, among others.

The new Amcor facility will have a gross floor area (GFA) of about 6,922 square metres, and is expected to be completed by the third quarter of 2019. Amcor will carry out the design development and manufacturing of packaging for medical devices in the new facility.

Separately, Boustead Projects' wholly owned subsidiary, Boustead Projects E&C, has been appointed a design-and-build partner in this project.

While the value of the new contract was not disclosed, the company said the deal raised Boustead Projects Group's order book backlog to S\$242 million. This amount includes unrecognised project revenue at the end of March, plus the total value of new orders secured since then, the group said.

The addition of the Amcor facility also brings Boustead Projects' leasehold portfolio to 20 properties with over 275,000 sq m in expected GFA.

The company added that the new 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, 2019.

Boustead Projects is an industrial real estate solutions provider, and a 53 per cent-owned subsidiary of fellow mainboard-listed Boustead Singapore.

Shares in Boustead Projects closed at S\$0.895 on Wednesday, down 1.1 per cent, while shares in Boustead Singapore closed at S\$0.805, down 2.4 per cent.