



**Boustead Singapore Limited**  
(Co. Reg. No. 197501036K)

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## **FURTHER TO PROPOSED SALE OF PROPERTIES TO MAPLETREE TRUSTEE PTE LTD**

**Singapore, 7 October 2004**

### ***Proposed Transaction and Background Information***

Further to our announcements of 23 August 2004 and 24 August 2004, the Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the wholly-owned subsidiaries of Boustead Projects Pte Ltd ("Boustead Projects"), have entered into respective conditional Put & Call Option agreements with Mapletree Trustee Pte Ltd ("Mapletree") dated 7 October 2004 (the "Put & Call Option Agreements") in relation to the following leasehold properties (collectively, the "Properties"):

- a) Logistics building at 60 Alps Avenue, owned by Boustead Projects Investments Pte Ltd, a wholly-owned subsidiary of Boustead Projects (currently leased by Menlo Worldwide Forwarding Inc);
- b) Logistics building at 61 Alps Avenue, owned by B Logistics Pte Ltd, a wholly-owned subsidiary of Boustead Projects (currently leased by Expeditors Singapore Pte Ltd); and
- c) Warehousing cum light industrial building at 11 Tai Seng Link, owned by iPark Pte Ltd, a wholly-owned subsidiary of Boustead Projects (currently leased by Allied Telesyn International (Asia) Pte Ltd).

Under the Put & Call Option Agreements, Mapletree has the right to compel the respective subsidiaries of Boustead Projects to enter into respective agreements relating to the sale and purchase of the Properties ("Sale & Purchase Agreements") subject to the fulfilment of certain conditions precedent within twelve (12) weeks from the date of the Put & Call Option Agreements or such other date as the parties may agree. Mapletree's right to do so subsists for fourteen (14) days. If this right is not exercised within the fourteen (14) days, the subsidiaries of Boustead Projects may in turn compel Mapletree to enter into the Sale & Purchase Agreements.

Upon the exercise of either Mapletree's call option or the respective subsidiaries' put option, the parties will execute the Sale & Purchase Agreements. The completion of the proposed sale of the Properties is targeted to be on the date on which the Sale & Purchase Agreements are executed.

The consideration for the Properties ("Sale Consideration") to be satisfied in cash are as follows:

| <u>Property</u>  | <u>Consideration</u>   |
|------------------|------------------------|
| 60 Alps Avenue   | S\$20.4 million        |
| 61 Alps Avenue   | S\$19.6 million        |
| 11 Tai Seng Link | <u>S\$12.5 million</u> |
|                  | S\$52.5 million        |

\* The Boustead Group's (the "Group") share of the Sale Consideration is S\$28.9 million.

The aggregate sum of S\$525,000 being the aggregate of the option fee ("Option Fee") as stipulated in the respective Put & Call Option Agreements was paid by Mapletree on the execution of the Put & Call Option Agreements.

If and when Mapletree exercises its call options or the respective subsidiaries of Boustead Projects, their put options, the Option Fee will be applied towards a deposit amounting to 10% of the Sale Consideration, which has to be furnished upon the execution of the Sale & Purchase Agreement. The balance of the Sale Consideration amounting to S\$51,975,000 will be paid upon completion of the proposed sale of the Properties.

### ***Purchase Price and Major Transaction***

The Sale Consideration of the respective Properties was arrived at by negotiations on a willing seller-willing buyer basis and is to be wholly satisfied in cash.

Boustead and its subsidiaries' (the "Group") share of the Sale Consideration of S\$28.9 million compared to the Company's market capitalisation of S\$166.1 million as at 6 October 2004 (based on issued share capital of 247,906,386 Shares and Share price of S\$0.67 as at 6 October 2004, being the closing price of Shares transacted on the market day preceding the date of the Put & Call Option Agreements) is approximately 17.4%.

The Group's share of net profits attributable to the Properties based on the audited accounts of the Group for the financial year ended 31 March 2004 ("FY2004") is S\$0.6 million.

Based on the FY2004 audited accounts of the Group, the net book value of the Properties is S\$13.8 million. The net book value of the Properties as at 31 July 2004 is S\$18.9 million after taking in account additions and improvements on the Properties since 31 March 2004. This represents approximately 25.5% of the Group's net tangible assets ("NTA") as at 31 March 2004.

The proposed sale of the Properties would therefore constitute a major transaction for the purposes of, and would be subject to the provisions of Rule 1013 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual. Accordingly, the proposed sale of the Properties is subject to shareholders' approval.

An extraordinary general meeting ("EGM") will be convened at a later date. A circular to shareholders, together with notice of the EGM will be dispatched to shareholders of the Company in due course. The circular will contain, inter alia, details of the Proposed Transaction.

### ***Salient Terms in Relation to Proposed Transaction***

The salient terms of the Put & Call Option Agreement, the proposed Sale & Purchase Agreement (to be executed) are set out in Appendix A of this announcement.

### ***Net Book Value of Properties***

The net book values of the Properties as at 31 July 2004 are as follows:

| <u>Property</u>  | <u>Net Book Value</u> |
|------------------|-----------------------|
| 60 Alps Avenue   | S\$6.6 million        |
| 61 Alps Avenue   | S\$7.3 million        |
| 11 Tai Seng Link | <u>S\$5.0 million</u> |
|                  | S\$18.9 million       |

The open market valuations of the Properties obtained from Knight Frank Pte Ltd are as follows:

| <u>Property</u>  | <u>Date of Valuation</u> | <u>Valuation Amount</u> |
|------------------|--------------------------|-------------------------|
| 60 Alps Avenue   | 17 Sep 2002              | S\$12.5 million         |
| 61 Alps Avenue   | 27 Feb 2004              | S\$10.5 million         |
| 11 Tai Seng Link | 10 Mar 2004              | <u>S\$8.5 million</u>   |
|                  |                          | S\$31.5 million         |

### ***Rationale for Proposed Transaction and Use of Sale Proceeds***

Boustead Projects is engaged in the provision of services on project management, design, construction works and property-related activities. The Properties were originally held by its subsidiaries for rental income but the offer from Mapletree Trustee represents an opportunity to form an alliance with Mapletree Investments under which Boustead Projects would provide design and build services to Mapletree Investments for their projects in Singapore and in overseas markets such as Malaysia, China, Thailand and Indonesia.

It is intended that the net proceeds of approximately S\$52.3 million, after taking into account the estimated expenses to be incurred in connection with the Proposed Sale, be applied towards the repayment of bank borrowings and working capital.

### ***Financial Effects***

The pro-forma financial effects set out below are, unless otherwise stated, based on historical FY2004 data and are intended for illustration purposes only. They do not necessarily reflect future financial position and performance of the Group.

#### NTA per Share

For illustration purposes only, assuming (as per Rule 1010 (8) of the Listing Manual) that the Completion had taken place on 31 March 2004 and based on the audited consolidated balance sheets of the Group as at 31 March 2004, the Disposal of Properties

would have resulted in an increase in the NTA per Share of the Group from 33.8 cents to 40.2 cents as presented in the table below.

| S\$'000   | Before<br><u>Completion</u> | After<br><u>Completion</u> |
|---|-----------------------------|----------------------------|
| Group NTA as at 31 March 2004   | 74,036                      | 74,036                     |
| Disposal of Properties:   |                             |                            |
| Add - Sale proceeds net of expenses and tax<br>(net of minority interests)    | -                           | 25,143                     |
| Less - NBV of Properties as at 31 July 2004*                                  | -                           | (10,416)                   |
| Less - Other expenses   | -                           | (100)                      |
| Less - Earnings attributable to the properties<br>(net of minority interests) | -                           | (629)                      |
| Group's NTA   | 74,036                      | 88,034                     |
| Number of Shares Outstanding ('000)**   | 219,273                     | 219,273                    |
| NTA per Share (in cents)  | 33.8                        | 40.2                       |

\* NBV of the Properties as at 31 July 2004 is higher than the NBV as at 31 March 2004 due to additional construction costs.

\*\* The number of shares issued as at 31 March 2004 was 212,721,832. The number of shares outstanding has been adjusted for a final tranche of 6,551,466 ordinary shares of S\$0.25 each which was issued in July 2004 in connection with the acquisition of a subsidiary.

#### Earnings per Share ("EPS")

For illustrative purposes only, assuming (as per Rule 1010 (9) of the Listing Manual) that the Completion had taken place on 1 April 2003 and based on the audited consolidated financial results of the Group for FY2004, the Disposal of Properties would have resulted in an increase in EPS of the Group from 6.3 cents to 12.9 cents as presented in the table below.

| S\$'000   | Before<br><u>Completion</u> | After<br><u>Completion</u> |
|---|-----------------------------|----------------------------|
| Group Consolidated Net Earnings for FY2004                                    | 13,316                      | 13,316                     |
| Disposal of Properties:   |                             |                            |
| Add - Net gain from disposal of Properties                                    | -                           | 14,627                     |
| Less - Earnings attributable to the Properties<br>(net of minority interests) | -                           | (629)                      |
| Consolidated Net Profit after Tax and Minority<br>Interests                   | 13,316                      | 27,314                     |
| Weighted Average Number of Shares ('000)                                      | 210,968                     | 210,968                    |
| EPS (in cents)  | 6.3                         | 12.9                       |

***Disclosure of Interests***

None of the Directors and controlling shareholders of the Company have any interest, direct or indirect, in the Disposal of Properties, save in respect of their shareholdings (if any) in the Company.

***Documents for Inspection***

Copies of the Put & Call Option Agreements and the valuation reports by Knight Frank Pte Ltd are available for inspection during normal business hours at the registered office address of the Company situated at 63 Ubi Avenue 1, #06-01, Boustead House, Singapore 408937, for three (3) months from the date of this announcement.