

## *Company Announcement*



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

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### **PROPOSED SALE OF PROPERTY BY JOINT VENTURE COMPANY OWNED BY BOUSTEAD PROJECTS**

**Singapore, 16 May 2005**

#### ***Introduction***

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that a joint venture company, Singapore Airport Logistics Centre 1 Pte Ltd, which was incorporated by a wholly-owned subsidiary of the Company's subsidiary, Boustead Projects Pte Ltd ("Boustead Projects") has entered into a Put & Call Option Agreement with Mapletree Trustee Pte Ltd ("Mapletree") dated 16 May 2005 (the "Put & Call Option Agreement") in relation to a 2-storey ramp-up logistics warehouse with a 2-storey mezzanine office located at 70 Alps Avenue, Singapore 498801 (the "Property") for a consideration of S\$35 million (the "Sale Consideration").

#### ***The Sale Consideration***

The Sale Consideration of the Property was arrived at by negotiations on a willing seller-willing buyer basis and is to be wholly satisfied in cash. A deposit of 10% of the Sale Consideration as option deposit as stipulated in the Put & Call Option Agreement was paid by Mapletree on the execution of the Put & Call Option Agreement.

#### ***Relative Figures under Rule 1006***

Boustead's share of the Sale Consideration of S\$9.6 million compared to the Company's market capitalisation of S\$187.2 million as at 13 May 2005 (based on issued share capital of 249,655,354 shares and share price of S\$0.75 as at 13 May 2005, being the closing price of shares transacted on the market day preceding the date of the Put & Call Option Agreements) is approximately 5.1%.

The Company's share of net profits attributable to the Property compared with the Group's net profit based on the audited accounts of the Group for the financial year ended 31 March 2004 is approximately 0.5%.

Based on the FY2004 audited accounts of the Group, the net book value of the Property is S\$7.4 million, which represents approximately 10% of the Group's net tangible assets ("NTA") as at 31 March 2004.

### ***Terms and Conditions of the Sale***

The Sale is subject to the approval being obtained from the JTC Corporation. The completion of the Proposed Sale of the Property is targeted to be on the date of completion on which the Sale & Purchase Agreement is executed or such other dates as the parties may mutually agree in writing.

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

The Property was originally held for rental income. However, the Directors believe that the Proposed Sale is in the interests of shareholders of the Company as the return is high as compared to the return generated from the existing rental proceeds.

It is intended that the net proceeds be utilised as working capital for Boustead Projects' expansion in China.

### ***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 Property would have resulted in an increase in the NTA per Share of the Group from 33.8 cents to 35.8 cents as presented in the table below.

S\$'000	Before Completion	After Completion
Group NTA as at 31 March 2004	74,036	74,036
Disposal of Property:		
Add - Sale proceeds net of expenses and tax (net of minority interests)	-	8,470
Less - NBV of Property as at 31 July 2004 (net of minority interests)	-	(4,069)
Less - Other expenses	-	(100)
Less - Earnings attributable to the Property (net of minority interests)	-	70
Group's NTA	74,036	78,407
NTA per Share (in cents)	33.8	35.8

### 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 Property would have resulted in an increase in the EPS of the Group from 6.3 cents to 8.38 cents as presented in the table below.

S\$'000	Before <u>Completion</u>	After <u>Completion</u>
Group Consolidated Net Earnings for FY2004	13,316	13,316
Disposal of Property:		
Add - Net gain from disposal of Property	-	4,301
Less - Earnings attributable to the Property (net of minority interests)	-	70
Consolidated Net Profit after Tax and Minority Interests	13,316	17,687
Weighted Average Number of Shares ('000)	210,968	210,968
EPS (in cents)	6.3	8.38

### ***Disclosure of Interests***

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