



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

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## **PROPOSED DISPOSAL OF PROPERTY BY WHOLLY-OWNED SUBSIDIARY OF BOUSTEAD PROJECTS**

Singapore, 19 January 2007

### **1. Introduction**

- 1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that A Logistics Pte Ltd ("A Logistics"), a wholly-owned subsidiary of the Company's 91.67%-owned subsidiary, Boustead Projects Pte Ltd ("Boustead Projects") has entered into a conditional Put and Call Option Agreement with Airport Logistics Center SGP Pte Ltd (the "Purchaser") dated 18 January 2007 (the "Put and Call Option Agreement") for the disposal (the "Proposed Disposal") of a warehousing and logistics facility at 101 Alps Avenue, Singapore (the "Property") for a consideration of S\$27.50 million (the "Sale Consideration").

### **2. Information on Put and Call Option Agreement**

- 2.1 A Logistics' principal business activities are those relating to the holding of investment property.
- 2.2 The Sale Consideration of the Property was arrived at through arms length negotiations on a willing buyer-willing seller basis and is to be wholly-satisfied in cash. A deposit of 1% of the Sale Consideration as option deposit as stipulated in the Put and Call Option Agreement will be paid by the Purchaser within three business days of the approval or deemed approval of the Final Investment Committee of the Purchaser's ultimate holding company.
- 2.3 The acquisition of the Property by the Purchaser is subject to the approval of the Final Investment Committee of the Purchaser's ultimate holding company and, *inter alia*, approval having been obtained by A Logistics from the relevant authorities and the satisfactory completion of due diligence by the Purchaser.
- 2.4 The proceeds from the Proposed Disposal will be used to fund Boustead Projects' working capital needs.

### **3. Financial Effects**

- 3.1 The estimated net book value and net profit attributable to the Property up to the expected date of completion of the Proposed Disposal are S\$8.77 million and S\$1.18 million respectively. After taking into account estimated costs of the Proposed Disposal and the share of minority interests, the Boustead Group (the

"Group") is expected to record a gain of S\$13.7 million from the disposal of the Property.

- 3.2 For illustration purposes only, assuming (as per Rule 1010(8) of the Listing Manual) that the Completion had taken place on 31 March 2006 and based on the audited consolidated balance sheets of the Group as at 31 March 2006, the Proposed Disposal would have resulted in an increase in the net tangible assets per share of the Group from 42 cents to 47 cents.
- 3.3 For illustrative purposes only, assuming (as per Rule 1010(9) of the Listing Manual) that the Completion had taken place on 1 April 2006 and based on the audited consolidated financial results of the Group for FY2006, the Proposed Disposal would have resulted in an increase in the earnings per share of the Group from 9.9 cents to 15.3 cents.
- 3.4 The relative figures computed pursuant to Rule 1006 of the Listing Manual are as follows:
  - a) Net asset value test – the estimated net asset value of the Property up to the expected date of completion of the Proposed Disposal is approximately S\$8.77 million. This represents approximately 5.9% of the Group's audited net asset value of S\$148.75 million as at 31 March 2006.
  - b) Net profit test – the estimated net profit attributable to the Property up to the expected date of completion of the Proposed Disposal is approximately S\$1.18 million. This represents approximately 2.2% of the Group's audited net profit of S\$54.49 million for the financial year ended 31 March 2006.
  - c) Market capitalisation test – the consideration of S\$27.50 million represents approximately 6.6% of the market capitalisation of S\$417.50 million as at 18 January 2007.
  - d) Securities issue test – not applicable as this is a disposal of assets.

#### **4. Rationale**

- 4.1 The Proposed Disposal is in line with Boustead Projects' current strategy of building and developing industrial properties for sale.

#### **5. Interest of Directors and Shareholders in Proposed Disposal**

- 5.1 None of the Directors and Controlling Shareholders of the Company has any interest, direct or indirect, in the disposal of the Property, save in respect of their shareholdings (if any) in the Company.

#### **6. Inspection of Documents**

- 6.1 Copies of the Put and Call Option Agreement are available for inspection during normal business hours at the Company's registered address at 63 Ubi Ave 1, #06-01, Boustead House, Singapore 408937 for three months from the date of this announcement.