

Company Announcement



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

63 Ubi Avenue 1, #06-01
Boustead House
Singapore 408937

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

Singapore, 13 September 2007

1. Introduction

- 1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that CNIM Pte Ltd ("CNIM"), 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 AMB Changi North DC1 Pte Ltd (the "Purchaser") dated 12 September 2007 (the "Put and Call Option Agreement") for the disposal (the "Proposed Disposal") of a warehousing facility at 40 Changi North Crescent, Singapore (the "Property") for a consideration of S\$12.39 million (the "Sale Consideration").

2. Information on Put and Call Option Agreement

- 2.1 CNIM's 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 seller-willing buyer basis and is to be wholly-satisfied in cash. An option fee of S\$125,000 will be paid by the Purchaser within five business days of the date of the Put and Call Option Agreement.
- 2.3 The acquisition of the Property by the Purchaser is subject to, *inter alia*, approval having been obtained by CNIM from the relevant authorities and the satisfactory completion of a due diligence by the Purchaser.
- 2.4 The proceeds from the Proposed Disposal will be used to fund Boustead Project's 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\$4.27 million and S\$0.23 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\$6.07 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 2007 and based on the audited consolidated balance sheets of the Group as at 31 March 2007, the Proposed Disposal would have resulted in an increase in the net tangible assets per share of the Group from 53 cents to 55 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 the financial year ended 31 March 2007, the Proposed Disposal would have resulted in an increase in the earnings per share of the Group from 13.9 cents to 16.4 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\$4.27 million. This represents approximately 2.8% of the Group’s audited net asset value of S\$153.12 million as at 31 March 2007.
 - 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\$0.23 million. This represents approximately 0.4% of the Group’s audited net profit of S\$53.96 million for the financial year ended 31 March 2007.
 - c) Market capitalisation test – the consideration of S\$12.39 million represents approximately 2.1% of the market capitalisation of S\$588.40 million as at 12 September 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 Project’s 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 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.