

Company Announcement



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

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Singapore 408937

PROPOSED DISPOSAL OF PROPERTY BY JV COMPANY OWNED BY SUBSIDIARY

Singapore, 21 January 2008

1. Introduction

- 1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that Singapore Airport Logistics Center 2 Pte Ltd ("SALC2"), a joint venture company in which the Company's subsidiary, Boustead Mec Pte Ltd ("Boustead Mec"), holds a 50% interest, has entered into a conditional Put and Call Option Agreement with AMB Singapore Logistics Center 2 Pte Ltd (the "Purchaser") dated 21 January 2008 (the "Put and Call Option Agreement") in relation to the disposal (the "Proposed Disposal") of a warehousing facility at 80 Alps Avenue, Singapore 498792 (the "Property") for a consideration of S\$46 million (the "Sale Consideration").

2. Information on Put and Call Option Agreement

- 2.1 SALC2's principal business activities consist of owning and leasing warehouse space.
- 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\$460,000 will be paid by the Purchaser within three business days of 21 January 2008.
- 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 SALC2 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 the working capital needs of Boustead Mec's intermediate holding company, Boustead Projects Pte Ltd ("Boustead Projects").

3. Financial Effects

- 3.1 The Boustead Group's (the "Group") share of 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\$7.10 million and S\$0.44 million respectively. After taking into account estimated costs of the Proposed Disposal and the share of minority interests, the Group is expected to record a gain of S\$11.93 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 58 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 18.7 cents.
- 3.4 The relative figures computed pursuant to Rule 1006 of the Listing Manual are as follows:
- a) Net asset value test – the Group’s share of the estimated net asset value of the Property up to the expected date of completion of the Proposed Disposal is approximately S\$7.10 million. This represents approximately 4.6% of the Group’s audited net asset value of S\$153.12 million as at 31 March 2007.
 - b) Net profit test – the Group’s share of the estimated net profit attributable to the Property up to the expected date of completion of the Proposed Disposal is approximately S\$0.44 million. This represents approximately 0.8% 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 Group’s share of the Sale Consideration amounts to S\$23.0 million. This represents approximately 3.9% of the market capitalisation of S\$588.7 million as at 18 January 2008.
 - 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.