

Company Announcement



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

67 Ubi Avenue 1, #02-01
StarHub Green
Singapore 408942

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

Singapore, 10 December 2009

1. Introduction

1.1 The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that Boustead Projects Investments Pte Ltd ("BPIPL"), a wholly-owned subsidiary of the Company's 91.7%-owned subsidiary, Boustead Projects Pte Ltd ("Boustead Projects"), has entered into a conditional Sale and Purchase Agreement dated 10 December 2009 (the "Sale and Purchase Agreement") for the sale (the "Proposed Sale") of the building under construction and land at Tampines Industrial Avenue 5 in Tampines Wafer Fab Park, Singapore (the "Property") for a consideration of approximately S\$67.8 million (the "Sale Consideration").

2. Information on Sale and Purchase Agreement

- 2.1 BPIPL'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. A deposit of 10% of the Sale Consideration will be paid by the Purchaser shortly after the execution of the Sale and Purchase Agreement.
- 2.3 The acquisition of the Property by the Purchaser is subject to, *inter alia*, approval having been obtained by BPIPL from the JTC Corporation.
- 2.4 The proceeds from the Proposed Sale will be used to fund Boustead Projects' working capital needs.

3. Financial Effects

- 3.1 The estimated net book value attributable to the Property up to the expected date of completion of the Proposed Sale is S\$45.0 million. There is no net profit attributable to the Property as it is still under construction. After taking into account estimated costs of the Proposed Sale and the share of minority interests, the Boustead Group (the "Group") is expected to record a gain of S\$17.3 million from the Sale 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 2009 and based on the audited consolidated balance sheets of the Group as at 31 March 2009, the

Proposed Sale would have resulted in an increase in the net tangible assets per share of the Group from 37.8 cents to 41.2 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 2008 and based on the audited consolidated financial results of the Group for the financial year ended 31 March 2009, the Proposed Sale would have resulted in an increase in the earnings per share of the Group from 11.7 cents to 15.1 cents.

3.4 The relative figures computed pursuant to Rule 1006 of the Listing Manual are as follows:

a) Net asset value test – As at 30 September 2009, the net asset value of the Property was approximately S\$6.7 million which represents approximately 3.3% of the Group's audited net asset value of S\$200.3 million as at 30 September 2009.

b) Net profit test – there is no net profit attributable to the Property up to the expected date of completion of the Proposed Sale.

c) Market capitalisation test – the consideration of approximately S\$67.8 million represents approximately 18.1% of the market capitalisation of S\$373.9 million as at 9 December 2009.

d) Securities issue test – not applicable as this is a sale of assets.

4. Rationale

4.1 The Proposed Sale is the result of the purchaser exercising its option in accordance with the agreement for lease.

5. Interest of Directors and Shareholders in Proposed Sale

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

6. Inspection of Documents

6.1 Copies of the Sale and Purchase Agreement are available for inspection during normal business hours at the Company's registered address at 67 Ubi Ave 1 #02-01, StarHub Green, Singapore 408942, for three months from the date of this announcement.

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises:

- Energy-Related Engineering;
 - Oil & Gas/Petrochemicals;
 - Solid Waste Energy Recovery;
- Water & Wastewater Engineering;
- Real Estate Solutions;
 - Industrial Real Estate Solutions; and
 - New Township.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute ESRI geo-spatial technology – the world’s leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 79 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue.

Visit us at www.boustead.sg.

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