

Company Announcement



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

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

DISPOSAL OF WHOLLY-OWNED SUBSIDIARY

Singapore, 30 March 2012

1. Introduction

- 1.1 The Board of Directors of Boustead Singapore Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that Boustead Projects Pte Ltd ("Boustead Projects"), a wholly-owned subsidiary of the Company, had on 30 March 2012 entered into and completed a sale and purchase agreement (the "Agreement") to dispose of the entire issued and paid-up share capital of BP-HP Pte Ltd ("BP-HP") comprising 5,000,000 ordinary shares to Hawker Pacific Asia Pte Ltd (the "Purchaser") (the "Disposal").
- 1.2 Under the Agreement, Boustead Projects also receives payment for existing intercompany loans given to BP-HP and working capital retained by BP-HP.
- 1.3 The Disposal has resulted in BP-HP ceasing to be a subsidiary of the Company.

2. Information on Sale and Purchase Agreement

- 2.1 BP-HP's principal business activities are those relating to the holding of investment property. It owns a maintenance, repair and overhaul facility located at Seletar Aerospace Park.
- 2.2 The total consideration, paid in cash by the Purchaser to Boustead Projects, amounted to an aggregate of S\$14,591,995.47 (the "Consideration").
- 2.3 The Consideration was arrived at on a willing buyer and willing seller basis between Boustead Projects and the Purchaser after taking into account the net asset value of BP-HP and the book value of intercompany loans given to BP-HP (the "Disposal Assets").
- 2.4 The proceeds from the Disposal will be used to fund Boustead Projects' working capital needs.

3. Financial Effect of Disposal

- 3.1 Based on the unaudited accounts of BP-HP for the 9 months ended 31 December 2011, the net book value and net profit after tax attributable to the Disposal Assets are S\$14.0 million and S\$0.02 million respectively. Boustead Projects is expected to record a gain of S\$2.2 million from the Disposal.
- 3.2 For illustration purposes only, assuming (as per Rule 1010(8) of the SGX Listing Manual) that the Disposal had been effected as at 31 March 2011 and based on

the audited accounts of the Group for the year ended 31 March 2011 ("FY2011"), the Disposal would have increased the net asset value per share of the Group from 45.3 cents to 45.8 cents.

- 3.3 For illustration purposes only, assuming (as per Rule 1010(9) of the SGX Listing Manual) that the Disposal had been effected as at 1 April 2010 and based on the FY2011 audited accounts of the Group, the Disposal would have increased the earnings per share of the Group from 10.3 cents to 10.8 cents.
- 3.4 The relative figures computed pursuant to Rule 1006 of the SGX Listing Manual are as follows:
- a) Net asset value test – as at 31 December 2011, the net asset value of the Disposal Assets was approximately S\$14.0 million which represents approximately 6.2% of the Group's unaudited net asset value of S\$227.6 million as at 31 December 2011.
 - b) Net profit test – the unaudited net profit before income tax, minority interests and extraordinary items attributable to the Disposal Assets for the 9 months ended 31 December 2011 is S\$0.02 million. This represents approximately 0.1% of the Group's unaudited net profit before income tax, minority interests and extraordinary items of S\$36.9 million for the 9 months ended 31 December 2011.
 - c) Market capitalisation test – the Consideration represents approximately 3.2% of the market capitalisation of S\$450.5 million as at 29 March 2012.
 - d) Securities issue test – not applicable as this is a sale of assets.

4. Rationale for Disposal

- 4.1 The Disposal is the result of the Purchaser exercising its option in accordance with an agreement for lease.

5. Interest of Directors and Shareholders in Disposal

- 5.1 None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

6. Inspection of Documents

- 6.1 A copy of the Agreement is available for inspection during normal business hours at the Company's registered address at 67 Ubi Avenue 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, Water & Wastewater Engineering and Real Estate Solutions.

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. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at www.boustead.sg.

Contact Information

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