

Media Coverage

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Boustead Projects acquires Bideford Road property at S\$515m, below valuation

BOUSTEAD Projects:AVM 0% has acquired an 18-storey freehold luxury mixed-used development along 28 and 30 Bideford Road through its 50 per cent-owned joint venture of the group's wholly-owned subsidiary, BP-Real Estate Investment.

While the property was independently valued by Savills at S\$550 million as at Jun 20, it was acquired for a consideration of S\$515 million excluding goods and services tax.

Boustead Projects intends to satisfy its subsidiary's portion of the consideration by way of cash funded from the group's internal resources.

The sale of 28 and 30 Bideford Road comes after a share charge was enforced from September 2021 in relation to S\$110 million in notes due 2020. The notes were acquired by a Boustead Projects-led consortium in August 2021, and were secured by a charge over the shares of the property's owner SC Aetas Holdings.

SC Aetas was subsequently placed under creditors' voluntary liquidation, and the property's sale was initiated as part of the winding-up process.

Based on audited financial statements of SC Aetas as at end-2020, the property had a carrying value of S\$605.4 million. The Business Times in December 2021 also reported that the property had been put up for sale at a S\$600 million indicative price.

In its latest Friday (Jun 24) filing, Boustead Projects said it believes the acquisition will benefit the group's real estate business, enable the company to expand and diversify its property portfolio, as well as increase its income streams.

The group expects the latest acquisition to have a material effect on its earnings per share for the current FY2023 ending Mar 31, 2023. This is not anticipated to materially affect the group's net tangible assets per share over the same period.

Spanning a land area of about 2,006.9 square metres and a gross floor area of 14,637.9 square metres, the development at 28 and 30 Bideford Road obtained its Temporary Occupation Permit on Jan 10, 2020.

The development comprises targeted hospitality, healthcare and commercial components. It was designed by Japanese architectural firm Nikken Sekkei and is earmarked to attain BCA (Building and Construction Authority) Green Mark Platinum certification.

Shares of Boustead Projects were trading S\$0.035 or 3.8 per cent lower at S\$0.885 as at 3.23 pm on Friday, after the announcement was made.