

Company Announcement



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

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

JOINT VENTURE TO DEVELOP INDUSTRIAL PROPERTY LOCATED AT UBI AVENUE 4

Singapore, 22 August 2013

1. Introduction

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's wholly-owned subsidiary, Boustead Projects Pte Ltd ("Boustead Projects") has on 22 August 2013 entered into a joint venture (the "Joint Venture") with Tat Hong Investments Pte Ltd ("Tat Hong Investments") to develop the property at Ubi Avenue 4, Singapore (Lot 6645M of Mukim 23) ("Property") into an industrial building ("Project"). The Property is currently held by BP-Ubi Industrial Pte Ltd ("BP-Ubi Industrial"), which is wholly-owned by BP-Ubi Development Pte Ltd ("BP-Ubi Development"). BP-Ubi Development was incorporated as a wholly-owned subsidiary of Boustead Projects with an initial issued and paid-up capital of S\$2.00 comprising of two (2) ordinary shares ("Shares").

To this end, Boustead Projects, Tat Hong Investments (together with Boustead Projects, the "Shareholders") and BP-Ubi Development have entered into a joint venture agreement dated 22 August 2013 (the "JVA") relating to, *inter alia*, the affairs of BP-Ubi Development, as the joint venture company, and the rights and obligations of the Shareholders in respect of BP-Ubi Development.

2. Joint Venture Agreement

Pursuant to the JVA, the Shareholders will subscribe for 49 new Shares each at a subscription price of S\$1.00 per Share, and the issued and paid-up capital of BP-Ubi Development will be increased to S\$100.00 comprising of 100 Shares to be held by Boustead Projects and Tat Hong Investments in the proportion of 51% and 49% respectively up to the TOP Date (as defined below). On or immediately after the date of issue of the Temporary Occupation Permit or Permits for the whole of the development of the Property ("TOP Date"), Tat Hong Investments shall subscribe for two (2) new Shares at a subscription price of S\$1.00 per Share, and the issued and paid-up capital of BP-Ubi Development will be increased to S\$102.00 comprising of 102 Shares to be held equally by Boustead Projects and Tat Hong Investments.

Under the terms of the JVA, Boustead Projects shall enter into a contract with BP-Ubi Industrial to design and build the Project ("D&B Contract"), and Boustead Projects shall be responsible under the D&B Contract for, *inter alia*, the construction of the Project, including the design, design development, types of finishes, and other engineering and technical specifications thereof.

In addition, each of the Shareholders shall enter into, or procure each of their respective subsidiaries to enter into, as lessee ("Lessee"), the requisite lease agreements with BP-Ubi Industrial for the grant to each of the Lessees of a lease of such units to be agreed upon between the Shareholders and which comprise approximately half of the net lettable area of the Property.

3. Rationale for Joint Venture

The Directors are of the view that the Joint Venture presents an excellent opportunity for the Company to jointly undertake the Project, through its wholly-owned subsidiaries, with Tat Hong Investments and to hold, deal with and develop the Property in accordance with the commercial objectives of the Shareholders.

The Joint Venture will allow Boustead Projects to mitigate its development risk in the Project, as both Lessees will be able to fully utilise the net lettable area of the Property, thereby eliminating the need to seek out third party lessees. In addition, the Joint Venture provides a base for further strategic cooperation between Boustead and Tat Hong. It is the intention of Boustead Projects and Tat Hong to potentially jointly develop industrial properties in Iskandar Malaysia, a region where Tat Hong acquired plots of land in 2012 through its indirect wholly-owned subsidiary, Tat Hong Industrial Land Sdn Bhd.

4. Financial Effects of Transaction

The Joint Venture is not expected to have a material impact on the profitability, earnings per share or net asset value per share of the Boustead Group in the current financial year ending 31 March 2014.

5. Interest of Directors and Shareholders in Joint Venture

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture.

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 – 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 84 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.

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