



**Boustead Projects Limited**  
(Co. Reg. No. 199603900E)

82 Ubi Avenue 4  
#07-01 Edward Boustead Centre  
Singapore 408832

## **PROPOSED SALE OF INVESTMENT IN TRIPLEONE SOMERSET**

**Singapore, 26 January 2017**

### **1) Introduction**

Boustead Projects Limited ("Boustead Projects" or the "Company") wishes to announce that it has on 25 January 2017 entered into a sale and purchase agreement (the "Agreement") for the sale of its entire 5.5% shareholding (the "Sale") in Perennial Somerset Investors Pte Ltd ("PSI"), comprising junior bonds, redeemable preference shares and ordinary shares, to Simply Swift Ltd (the "Purchaser"). PSI is the sole shareholder of Perennial 111 Somerset Pte Ltd, which is in turn the sole shareholder of Perennial (Somerset) Pte Ltd, the sole registered owner of a 99-year leasehold property known as TripleOne Somerset at 111 Somerset Road, Singapore 238164 ("TripleOne Somerset").

### **2) Information on TripleOne Somerset, PSI and Purchaser**

#### TripleOne Somerset

TripleOne Somerset is a prime integrated development, comprising two premium grade office towers and a retail podium, strategically located within the renowned Orchard Road precinct and next to the Somerset MRT Station serving the North-South Line. The property enjoys two prominent frontages along Somerset Road and Devonshire Road which provide dual drop-off and access to the development.

TripleOne Somerset is undergoing an approximately S\$120 million asset enhancement programme. The extensive works include enhancing the retail offerings, incorporating medical suites of about 32,000 square feet, and sprucing up of the office lobby and common areas. In addition, the two office towers, starting with Somerset Tower, and the medical suites are being sold on a strata basis. The works are expected to be completed in late 2018 to early 2019.

#### PSI

PSI is the sole shareholder of Perennial 111 Somerset Pte Ltd, which is in turn the sole shareholder of Perennial (Somerset) Pte Ltd, which is the sole registered owner of TripleOne Somerset. PSI's shareholders consist of several consortium partners including Boustead Projects and is led by Perennial Real Estate Holdings Ltd ("PREH").

#### The Purchaser

The Purchaser is a wholly-owned subsidiary of Shun Tak Holdings Ltd.

### **3) Rationale for Sale**

As announced on 9 January 2014 by Boustead Singapore Limited, Boustead Projects had entered into a PREH-led consortium to invest in PSI to purchase TripleOne Somerset for S\$970 million. Boustead Projects acquired a 5.5% stake in PSI, investing approximately S\$17.9 million in junior bonds, redeemable preference shares and ordinary shares of PSI. The investment was made partly with the intention of participating in any future asset enhancement initiatives of TripleOne Somerset and also because Boustead Projects would be able to invest alongside a consortium of financially strong partners including PREH.

The Board is of the view that the proposed Sale is in the best interests of the Company and would allow redeployment of the consideration for the Sale for the purposes of investment and growth of the Company's core businesses. The Board considers it opportune to sell the Company's stake in PSI as the strategic reasons for the investment have ceased to be applicable, since: i) the proposed Sale would result in the exit of several consortium partners together with the Company; and ii) the Company's participation in the asset enhancement initiatives of TripleOne Somerset did not materialise.

### **4) Principal Terms of Sale**

- a) The Sale values TripleOne Somerset at approximately S\$1.258 billion or S\$2,200 per square foot;
- b) The Agreement was executed on 25 January 2017 and the Sale shall be completed no later than 30 June 2017; and
- c) Boustead Projects' share of the total consideration paid by the Purchaser is estimated at S\$27.5 million. Boustead Projects expects to recognise a gross gain on disposal of approximately S\$8.9 million after deducting divestment fees.

### **5) Financial Effects**

The financial effects of the Sale on the Boustead Projects Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Boustead Projects Group immediately after the completion of the Sale. The financial effects of the Sale set out below have been prepared based on the audited consolidated financial statements of the Boustead Projects Group for the financial year ended 31 March 2016 ("FY2016").

#### Share capital

The Sale will have no impact on the Company's issued share capital.

#### Net tangible assets ("NTA")

The Sale is not expected to have a material effect on the NTA per share of the Boustead Projects Group for FY2016, assuming that the Sale had been effected on 31 March 2016.

## Earnings per share ("EPS")

The effects of the Sale on the audited consolidated EPS of the Group for FY2016, assuming that the Sale had been effected on 1 April 2015 are summarised below:

	<b>Before Sale</b>	<b>After Sale</b>
Earnings attributable to equity holders of Company (S\$'million)	22.9	31.8
Weighted average number of shares (million)	320.0	320.0
Consolidated EPS (cents)	7.15	9.94

## Other financial information

Boustead Projects intends to use the proceeds from the Sale to fund future projects and the working capital requirements of the Boustead Projects Group.

### **6) Rule 1006**

Based on the latest announced unaudited financial statements of the Boustead Projects Group as at 30 September 2016, the relative figures for the Sale computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST Listing Manual") are as follows:

Rule 1006	Bases	Relative figure (%)
a)	Net asset value of assets disposed of, as compared with Boustead Projects Group's net asset value <sup>(1)</sup>	8.64%
b)	Net profit attributable to assets disposed of, compared with Boustead Projects Group's net profits <sup>(2)</sup>	Not meaningful
c)	Aggregate value of consideration received for Sale, compared with Company's market capitalisation based on total number of issued shares excluding treasury shares <sup>(3)</sup>	11.94%
d)	Number of equity securities issued by Company as consideration for acquisition, compared with number of equity securities previously in issue	Not applicable

#### Notes:

- 1) The Boustead Projects Group's net asset value as at 30 September 2016 is S\$206.9 million. The unaudited net asset value of the assets disposed under the Sale as of the date of the Agreement is S\$17.9 million.
- 2) The relative figure calculated under Rule 1006(b) is not meaningful as there is neither net profit nor net loss attributable to the assets disposed under the Sale for 1H FY2017 ended 30 September 2016 as compared to the Boustead Projects Group's net profit before income tax, minority interests and extraordinary items of S\$16.3 million for the same period.
- 3) Based on the closing market price of S\$0.72 on 24 January 2017, the market capitalisation of the Company is S\$230.4 million based on the total number of issued shares (excluding treasury shares) of 320,000,000.

On the basis of Rule 1006 above, the Sale is a “discloseable transaction” as defined in Rule 1010 of the SGX-ST Listing Manual.

**7) Interest of Directors and Controlling Shareholders**

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

**8) Directors’ Service Contracts**

Mr Wong Yu Wei (Huang Youwei) will resign as a director of PSI with effect from completion of the Sale, which is expected to be no later than 30 June 2017. No person is proposed to be appointed as a director of the Company in relation to the Sale or any other transactions contemplated in relation to the Sale.

**9) Miscellaneous**

A copy of the Agreement is available for inspection at the registered office of Boustead Projects at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours for a period of three (3) months from the date of this announcement.

*Boustead Projects Limited’s admission to and listing on the Singapore Exchange Securities Trading Limited was sponsored by CIMB Bank Berhad, Singapore Branch. CIMB Bank Berhad, Singapore Branch assumes no responsibility for the contents of this announcement.*

## **About Boustead Projects Limited**

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. We are approved by the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, electronics, food processing, healthcare, high-tech manufacturing, lifestyle, logistics, oil & gas, petrochemical, precision engineering, R&D, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the U.S. Green Building Council's Leadership in Energy & Environmental Design Program. In Singapore, we are one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the SGX Mainboard.

Visit us at [www.bousteadprojects.com](http://www.bousteadprojects.com).

## **Contact Information**

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