



BUKIT SEMBAWANG ESTATES LIMITED

Company Registration No. 196700177M

PROPOSED ACQUISITION OF LAND AT KALLANG DISTRI PARK

1. INTRODUCTION

- 1.1 Proposed Transaction.** The Board of Directors (the “**Board**”) of Bukit Sembawang Estates Limited (the “**Company**”) wishes to announce that its subsidiaries, Bukit Two Pte. Ltd. (“**BTPL**”) and Bukit Eight Pte. Ltd. (“**BEPL**” and collectively with BTPL, the “**Purchaser**”) have today entered into a conditional put and call option agreement (the “**Option Agreement**”) with Tropical Warehousing Co. Pte Ltd (the “**Vendor**”, and collectively with the Purchaser, the “**Parties**”).
- 1.2 Option Agreement.** The Option Agreement relates to the sale and purchase of a site of approximately 51,000 square metres (the “**Land**”), together with all buildings and structures on the Land (the “**Property**”, and such transaction, the “**Land Acquisition**”) at the purchase price of S\$196,040,000, subject to the adjustments set out in paragraph 4.6 below (the “**Purchase Price**”).
- 1.3 Information on the Land and Property.** The Land is part of the Kallang Distripark site. The site is located on the southern side of Kallang Bahru and is approximately 5 km from the city centre. It is bounded by Kallang River on one side and Pelton Canal on the other side and is generally flat and at access road level. The Purchaser intends to develop a residential development with commercial first-storey use on part of the Land (estimated to be approximately 24,902.47 square metres) and undertake the Infrastructure Works (as defined and more particularly described in paragraph 1.4 below) on the balance of the Land. The proposed residential development with commercial first-storey use will have a permissible gross floor area of approximately 74,707.41 square metres with a gross plot ratio of 3, subject to relevant authorities’ approvals. The total land cost is expected to be approximately S\$1,010,000,000, comprising the Purchase Price, Specified LBC and Specified LUP (each as described in paragraph 4.5 below).
- 1.4 Infrastructure Works.** As a condition of the Land Acquisition, the Purchaser is required to undertake certain demolition works and works in relation to a 2-hectare public park, a 15-metre-wide waterfront promenade and road infrastructure(s) (collectively, the “**Infrastructure Works**” and together with the Land Acquisition, the “**Proposed Transaction**”) on behalf of the Vendor and at the cost and expense of the Vendor, and the Parties will enter into an infrastructure works agreement in relation to the same (the “**Infrastructure Works Agreement**”).

2. INFORMATION ON THE PARTIES

- 2.1 Information relating to the Company.** The Company is a public company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and began as a leading rubber company which later diversified into the development of landed property. The Company now focuses on property development, investment and other property-related activities.

As at the date of this Announcement, the Company has 258,911,326 ordinary shares (excluding treasury shares) in issue (the “**Shares**”).

2.2 Information relating to the Purchaser

2.2.1 BTPL. BTPL is a private limited company incorporated in Singapore on 12 April 2018 and is in the business of real estate development.

BTPL is a wholly-owned subsidiary of the Company.

As at the date of this Announcement, BTPL has 1 ordinary share in issue.

2.2.2 BEPL. BEPL is a private limited company incorporated in Singapore on 25 September 2026 and is in the business of real estate development.

BEPL is a wholly-owned subsidiary of the Company.

As at the date of this Announcement, BEPL has 1 ordinary share in issue.

2.3 Information relating to the Vendor. The Vendor is a private limited company incorporated in Singapore on 20 September 1996 in the business of warehousing. It is a wholly-owned subsidiary of Tropical Produce Company (Pte) Limited, the shareholders of which include Lee Rubber Co. (Pte) Limited, Kallang Development (Pte) Ltd, Selat (Pte) Limited, South Asia Shipping Company Private Limited, and Singapore Investments (Pte) Limited, which are members of the Lee group of companies.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

3.1 The Proposed Transaction is in line with the Company and its subsidiaries’ (the “**Group**”) strategy to strengthen and diversify its property development portfolio, complementing its established landed residential developments with a sizeable non-landed residential project.

3.2 The Land is strategically located in the city-fringe Kallang area, approximately 5 km from Singapore’s city centre. Its close proximity to Geylang Bahru and Kallang MRT stations, as well as major expressways, provides convenient connectivity to the Central Business District and other parts of Singapore.

3.3 The site’s waterfront setting, bounded by the Kallang River and Pelton Canal, presents an opportunity to develop a distinctive residential project with commercial amenities at the first storey. The proposed public park and waterfront promenade are also expected to enhance the overall living environment and appeal of the development.

3.4 The Proposed Transaction will enable the Group to capitalise on the site’s development potential and participate in the continued transformation of the Kallang area while broadening its residential product offerings and supporting its long-term growth.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

4.1 Sale and Purchase of the Land and Property

4.1.1 Call Option. Pursuant to the Option Agreement, the Vendor has agreed to grant to the Purchaser the right, subject to the terms and conditions contained in the Option Agreement, to accept the Vendor’s offer to sell the Property at the Purchase Price (as defined below), on the terms and conditions contained in the Option Agreement (the “**Call Option**”);

- 4.1.2 Put Option.** Pursuant to the Option Agreement, the Purchaser has agreed to grant to the Vendor the right, subject to the terms and conditions contained in the Option Agreement, to accept the Purchaser's offer to purchase the Property at the Purchase Price, on the terms and conditions contained in the Option Agreement (the "**Put Option**", and the Call Option and Put Option collectively, the "**Options**"); and
- 4.1.3 Sale Agreement.** Upon the exercise of Call Option or the Put Option (as the case may be), the Vendor and the Purchaser shall be deemed to have entered into a binding agreement for the sale and purchase of the Property (the "**Sale Agreement**") consisting of the terms and conditions contained within the Option Agreement.
- 4.2 Infrastructure Works Agreement.** Following the exercise of Call Option or the Put Option (as the case may be), the Parties will then enter into the Infrastructure Works Agreement. The proposed developments comprise a residential development commercial first-storey use, a park and promenade, and road infrastructures (collectively, the "**Project**").
- 4.3 Exercise of Option.** The exercise of the Call Option by the Purchaser or the Put Option by the Vendor (as the case may be) is subject to and conditional upon the following conditions precedent (the "**Conditions**"):
- 4.3.1** the obtainment of the written approval of the head lessor for the sale of the Property to the Purchaser;
 - 4.3.2** the obtainment of the provisional permission (the "**Provisional Permission**") issued or to be issued by the competent authority pursuant to the Planning Act 1998 of Singapore for the development of the Property on specified development parameters and on terms and conditions acceptable to the Purchaser;
 - 4.3.3** the clearance by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") of the circular to be issued to the shareholders of BSEL (the "**BSEL Circular**") in relation to the Proposed Transaction and such clearance remaining in full force and effect;
 - 4.3.4** the approval of the Proposed Transaction by the shareholders of the Company at an extraordinary general meeting of the Company; and
 - 4.3.5** the in-principle approval from the Singapore Land Authority ("**SLA**") for the grant of a fresh 99-year lease in exchange for the surrender to the SLA of the existing head lease.
- 4.4 Completion.** The completion of the sale and purchase of the Property (the "**Completion**") is subject to and conditional upon the following conditions:
- 4.4.1** the obtainment of the written permission under the Planning Act 1998 of Singapore from the URA pursuant to the Provisional Permission for the development of the Property (the "**Written Permission**"); and
 - 4.4.2** (if required) the approval of the Controller of Residential Property under section 31 of the Residential Property Act 1976 of Singapore (the "**RPA Approval**").

4.5 Purchase Price. Subject to the adjustments set out in paragraph 4.6 below, the Purchase Price payable by the Purchaser to the Vendor for the Property is S\$196,040,000 (exclusive of GST) in cash and was mutually arrived after arms' length negotiations between the Purchaser and the Vendor on a willing-seller and willing-buyer basis after taking into consideration, amongst other matters:

4.5.1 the Valuation Report (as defined in paragraph 5.4 below);

4.5.2 the rationale for the Proposed Transaction (as described in paragraph 3 above);

4.5.3 the Specified LUP (as defined in the Option Agreement), being the amount of lease upgrade premium payable to the SLA for the grant of a fresh 99-year lease in exchange for the surrender to the SLA of the existing head lease; and

4.5.4 the Specified LBC (as defined in the Option Agreement), being the amount of land betterment charges payable to the SLA for the Written Permission.

4.6 Adjustments. The parties have also agreed to certain adjustments to be made in the following circumstances:

4.6.1 if the lease upgrade premium payable to the SLA is more than the Specified LUP, the Vendor shall pay the difference to the Purchaser. Conversely, if the lease upgrade premium payable to the SLA is less than the Specified LUP, the Purchaser shall pay the difference to the Vendor;

4.6.2 if the amount of land betterment charges payable to the SLA for the Written Permission (as specified in the relevant liability order) is more than the Specified LBC or less than the Specified LBC, the Purchase Price shall be reduced or increased, as the case may be, by an amount equivalent to the difference; and

4.6.3 if the actual price per square metre per plot ratio of the Property, after finalisation of the development land area and approved plot ratio, is different from the agreed price per square metre per plot ratio of S\$13,519.41 ("**Agreed PSM PPR**"), the Purchase Price shall be adjusted such that the price per square metre per plot ratio of the Property would be equal to the Agreed PSM PPR.

4.7 Right of Termination (Option Agreement). The Option Agreement may be terminated in the following circumstances:

4.7.1 in the event any Condition is not fulfilled by the date falling six (6) months after the date of the Option Agreement, or such other date as may be mutually agreed in writing between the Parties, either Party may elect to rescind the Option Agreement;

4.7.2 in the event that neither the Call Option is exercised nor the Put Option is exercised, in each case by the expiry of the option exercise period; and

4.7.3 in the event of an occurrence which would entitle the Purchaser to terminate the sale and purchase pursuant to the terms of the Sale Agreement, notwithstanding that neither the Call Option nor Put Option has been exercised. The termination events under the Sale Agreement are set out in paragraph 4.8.

4.8 Right of Termination (Sale Agreement). The Purchaser shall be entitled to terminate the Sale Agreement in the following circumstances:

- 4.8.1** in the event the RPA Approval (if required) is not obtained by the date falling six (6) months from the date of the Sale Agreement (or such other date as may be mutually agreed between the Parties);
- 4.8.2** in the event the Written Permission is not obtained by the date falling six (6) months from the date of the Sale Agreement (or such other date as may be mutually agreed between the Parties);
- 4.8.3** in the event the Purchaser receives a reply to any legal requisition which materially adversely affects the Property or any part(s) thereof;
- 4.8.4** in the event the Property is affected by any acquisition or notice of acquisition or intended acquisition by any competent Authority which affects three per cent. or more of the area of the Land or such part of the Property which adversely affects the development of the Property contemplated under the advice issued by the URA dated 3 March 2026; and
- 4.8.5** if, prior to Completion, any representation and warranty made by the Vendor to the Purchaser is or becomes untrue, inaccurate or breached.

4.9 Terms of the Infrastructure Works Agreement. The Infrastructure Works Agreement to be entered into by Parties will govern Parties' agreement in relation to the Purchaser's carrying out of the Infrastructure Works on behalf of the Vendor. In connection with the Infrastructure Works:

- 4.9.1** the Purchaser will design, construct, complete and maintain the following works:
 - (i) works in relation to the 2-hectare park, 15-meter-wide waterfront promenade and road infrastructures; and
 - (ii) the demolition of warehouses, buildings and/or structures that encroach onto the Land or that are in the path of and/or affect the carrying out of the Infrastructure Works, which warehouses, buildings and/or structures are as identified in the Infrastructure Works Agreement; and
- 4.9.2** in accordance with the terms of the Infrastructure Works Agreement, the Purchaser shall be entitled to charge the Vendor a fee of 3 per cent. of the total construction costs (as defined in the Infrastructure Works Agreement) incurred by the Purchaser in respect of the Infrastructure Works.

5. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

- 5.1 Bases and Assumptions.** The pro forma financial effects of the Proposed Transaction as set out below are purely **for illustrative purposes only and do not reflect the future actual financial position of the Company and its subsidiaries (the "BSEL Group") following Completion.** The pro forma financial effects have been prepared based on the audited consolidated financial statements of the BSEL Group for the financial year ended 31 March 2026, which has been publicly announced, and are subject to, amongst others, the following assumptions:

- 5.1.1** the Proposed Transaction had been effected on 31 March 2026, being the end of the most recently completed financial year of the BSEL Group, for illustrating the financial effects on the consolidated net tangible asset ("**NTA**") of the BSEL Group;
- 5.1.2** the Proposed Transaction had been effected on 1 April 2025, being the beginning of the most recently completed financial year of the BSEL Group, for illustrating the financial effects on the consolidated earnings of the BSEL Group; and
- 5.1.3** the costs and expenses in connection with the Proposed Transaction are disregarded for the purposes of calculating the financial effects.
- 5.2 NTA.** For illustrative purposes only and assuming that the Proposed Transaction had been completed on 31 March 2026, the pro forma financial effects of the Proposed Transaction on the consolidated NTA of the BSEL Group as at 31 March 2026 are as follows:

	Before Completion of the Proposed Transaction	After Completion of the Proposed Transaction
Net assets (S\$ million)	1,669.64	1,669.64
Less : intangibles (S\$ million)	-	-
NTA (S\$ million) ⁽¹⁾	1,669.64	1,669.64
Number of ordinary shares in the issued capital of the Company (excluding treasury shares) (million)	258.91	258.91
NTA per Share (Singapore cents) ⁽²⁾	6.45	6.45

Notes:

- ⁽¹⁾ Computed based on the Group's total assets less total liabilities and intangibles.
- ⁽²⁾ Rounded to the nearest two decimal places.

5.3 Earnings per Share. For illustrative purposes only and assuming that the Proposed Transaction had been completed on 1 April 2025, the pro forma financial effects of the Proposed Transaction on the consolidated earnings of the BSEL Group for the financial year ended 31 March 2026 are as follows:

	Before Completion of the Proposed Transaction	After Completion of the Proposed Transaction
Net profits attributable to the ordinary shareholders of the Company (S\$ million)	128.64	128.64
Weighted average number of Shares for the financial year ended on 31 March 2026 – Basic (million)	258.91	258.91
Earnings per Share – Basic (Singapore cents) ⁽¹⁾	49.7	49.7

Notes:

⁽¹⁾ Rounded to the nearest one decimal place.

5.4 Valuation of the Property. The Purchaser has commissioned Savills Valuation And Professional Services (S) Pte Ltd (the “**Valuer**”) to conduct an independent property valuation of the Property and a valuation report dated 9 October 2026 was issued by the Valuer. Based on the Valuation Report, the market value of the Land on a “vacant land” basis is S\$1,007,000,000 and the gross development value of the property is S\$2,031,600,000. The direct comparison method and the residual method were used by the Valuer in arriving at these values.

These two methods are widely accepted approaches in the assessment of land value. While the Residual Method serves as a useful tool for assessing a proposed development and determining the underlying land value by taking into account the anticipated sale proceeds upon completion and the associated development costs, the Direct Comparison Method better reflects real market behaviour through analysis of actual recent transactions, thereby providing a reliable indication of market value based on prevailing market sentiment among buyers and sellers.

6. MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Relative figures computed on the bases set out in Rule 1006. Based on the audited results of the BSEL Group for the financial year ended 31 March 2026, the relative figures of the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Proposed Transaction (S\$'million) ⁽¹⁾	BSEL Group (S\$'million) ⁽¹⁾	Relative figures (%) ⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the BSEL Group's net asset value	N.A.	N.A.	N.A.
(b)	Net profits attributable to the assets acquired, compared with the BSEL Group's net profits ⁽²⁾	N.A.	N.A.	N.A.
(c)	The aggregate value of the Purchase Price, compared with the Company's market capitalisation ⁽³⁾	196.04	1,131.44	17.33
(d)	The number of equity securities issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue	N.A.	N.A.	N.A.

Notes:

⁽¹⁾ Rounded to the nearest two decimal places.

⁽²⁾ The term "**net profits**" means profit or loss before income tax. This basis is not applicable as there are no net profits attributable to the Property.

⁽³⁾ The Company's market capitalisation is based on a total of 258,911,326 Shares at a volume-weighted average price of S\$4.37 per Share as at 15 October 2026, being the last market day preceding the date of the Agreement.

6.2 Disclosable Transaction. As the relative figures for the Proposed Transaction under Rule 1006(c) of the Listing Manual exceed 5 per cent. but not 20 per cent., the Proposed Transaction constitutes a "disclosable transaction" for the Company under Chapter 10 of the Listing Manual.

7. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL

- 7.1 Interested Person Transaction.** As set out in paragraph 2.3, the Vendor is wholly-owned by Tropical Produce Company (Pte) Limited, the shareholders of whom include Lee Rubber Co. (Pte) Limited, Kallang Development (Pte) Ltd, Selat (Pte) Limited, South Asia Shipping Company Private Limited, and Singapore Investments (Pte) Limited, which are members of the Lee group of companies. The Vendor is an associate of Mr. Lee Chien Shih (a non-executive and non-independent director of the Company) and therefore regarded as an “interested person” in relation to the Company, and the Company is an “entity at risk” for the purposes of the Listing Manual. Accordingly, the Proposed Transaction is an “interested person transaction” under Chapter 9 of the Listing Manual.
- 7.2 Computation of Materiality.** Based on the BSEL Group’s latest audited financial statements for the financial year ended 31 March 2026, the Company’s audited NTA as at 31 March 2026 was S\$1.67 billion.
- 7.3 Shareholders’ Approval.** The Purchase Price payable under the Option Agreement is S\$196,040,000, subject to the adjustments set out in paragraph 4.6, and represents approximately 11.74 per cent. of the NTA of the Company as at 31 March 2026. As set out in paragraph 4.9.2, the Company shall also be entitled to charge the Vendor a fee of 3 per cent. of the total construction costs under the Infrastructure Works Agreement, the exact value of which can only be determined at a later date. In any event, as the Purchase Price represents more than 5 per cent. of the NTA of the Company, the approval of the shareholders of the Company will be required for the Proposed Transaction in accordance with Chapter 9 of the Listing Manual and the Proposed Transaction is conditional upon such approval.
- 7.4 Total Value of Interested Person Transactions.** For the period from the beginning of the current financial year, 1 April 2026, up to 15 October 2026 (the “**Latest Practicable Date**”), other than the Proposed Transaction and excluding transactions with a value of less than S\$100,000 each, the total value of all transactions with the Vendor and its associates (as defined in the Listing Manual) (collectively, the “**Vendor Group**”), there have been no other interested person transactions with the Vendor Group or any other persons.
- 7.5 Independent Financial Adviser.** As required under the Listing Manual, PrimePartners Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser (“**IFA**”) to advise the directors who are considered independent (the “**Independent Directors**”) for the purposes of the Proposed Transaction on whether the Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. The IFA’s opinion will be included in the BSEL Circular to be sent to the shareholders of the Company in connection with the BSEL extraordinary general meeting (the “**BSEL EGM**”) at which shareholders’ approval is intended to be sought for the Proposed Transaction.

The Independent Directors will also form their own views after reviewing the IFA’s opinion referred to above, which will be included in the BSEL Circular.

- 7.6 Abstention from Voting.** Pursuant to Rule 919 of the Listing Manual, Selat (Pte) Limited, Lee Rubber Co. (Pte) Limited, LRG Property Investment Pte Ltd, Kallang Development (Pte) Limited and Mr. Lee Chien Shih will abstain from voting and will procure that their respective associates will abstain from voting their respective shareholdings, if any, on the resolutions to be proposed at the BSEL EGM in respect of the Proposed Transaction. Furthermore, each of them shall decline to accept appointments as proxies for any shareholder of the Company unless such shareholder has given specific instructions in a validly completed and submitted proxy form as to voting, or abstention from voting, on the resolutions to be proposed at the BSEL EGM in respect of the Proposed Transaction.

8. FURTHER INFORMATION

- 8.1 Interests of Directors and Controlling Shareholders of the Company.** Based on the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date, the interests of the Directors in the Shares are as follows:

Directors	Number of Shares				Number of shares comprised in outstanding share awards
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	
Lee Chien Shih	584,900	0.226	-	-	-

Notes:

- ⁽¹⁾ Shareholding percentages are based on a total of 258,911,326 Shares and rounded to the nearest three decimal places.

- 8.2** Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the interests of the substantial shareholders in the Shares are as follows:

Substantial Shareholders	Number of Shares		% of issued share capital ⁽¹⁾
	Direct Interest	Deemed Interest	
Selat Pte Limited	-	75,323,072 ⁽²⁾	29.09
Lee Rubber Company (Pte) Limited	21,955,968	11,875,192 ⁽³⁾	13.07
LRG Property Investment Pte. Ltd.	75,323,072	-	29.09

Notes:

- ⁽¹⁾ Shareholding percentages are based on a total of 258,911,326 Shares and rounded to the nearest two decimal places.
- ⁽²⁾ 75,323,072 shares owned by LRG Property Investment Pte. Ltd.
- ⁽³⁾ 11,875,192 shares owned by Kallang Development (Pte) Limited.

- 8.3** In addition, Ms Fam Lee San (“**Ms Fam**”) is a director of Tropical Produce Company (Pte) Limited, the holding company of the Vendor. Each of Ms Fam and Mr Chu Leong Tho, an alternate director of the Company to Ms Fam, is a director of Kallang Development (Pte) Limited, which is a shareholder of the holding company of the Vendor.
- 8.4** Other than as disclosed in this Announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.
- 8.5 Directors’ Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Transaction.
- 8.6 BSEL Circular.** The BSEL Circular containing further details of the Proposed Transaction, as well as the notice convening the BSEL EGM at which shareholders’ approval is intended to be sought for the resolutions in respect of the Proposed Transaction, will be despatched to the shareholders of the Company in due course.
- 8.7 Documents for Inspection.** A copy of the Option Agreement is available for inspection during normal business hours at the registered office of the Company at 2 Bukit Merah Central, #13-01, Singapore 159835 for a period of three months commencing from the date of this Announcement.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
16 October 2026
Singapore