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Boustead to build R&D centre for Continental Automotive

by Jermaine Ng

BOUSTEAD Singapore, through Boustead Projects, has won a contract to design, build and lease to Continental Automotive Singapore an advanced research & development and technology centre.

The seven-storey centre will be built to cater specifically to R&D and product development for interior electronic systems in automobiles, and aims to drive the product creation process from conception to realisation, and finally on to the mass production of instrumentation clusters and displays, multimedia devices, radio navigation devices, centre stacks, interior modules and control systems.

The R&D centre will also house a specialised product verification and validation laboratory, and a test-car space for quality control management.

With a gross floor area of about 11,250 square metres, and structural provisions for an eighth floor to support future expansion plans, the centre is expected to be completed by the first quarter of next year.

The knowledge-intensive facility will be located at Kallang iPark, a new industrial park situated on the fringe of the Central Business District and close to the Kallang Riverfront.

"Having announced two contracts worth \$72 million (on Wednesday), along with today's announcement of the R&D and technology centre for Continental, we feel confident that we have a strong footing for the upcoming FY2012," Thomas Chu, managing director of Boustead Projects, said yesterday.

This is the eighth industrial facility in Boustead Projects' portfolio of industrial leasehold facilities, and the fourth industrial leasehold facility design-build-lease contract secured by Boustead Projects in the last twelve months.

It is not expected to have a material impact on the profitability, earnings per share or net asset value per share of Boustead in the current financial year ending March 31, 2011 or the next financial year ending March 31, 2012.

"As the above contract is not on a design-and-build arrangement, it will not be added to the Boustead Group's order book backlog (as at the end of Q3 FY2011 plus new orders in Q4 FY2011), which currently stands at \$262 million," said Boustead.

Boustead shares closed trading down half a cent at 93.5 cents yesterday.