

BOUSTEAD PROJECTS EXTRAORDINARY GENERAL MEETING ADVANCE QUESTIONS AND RESPONSES

SINGAPORE, 24 FEBRUARY 2021

The Board of Directors (“Board”) of Boustead Projects Limited (the “Company”) wishes to express its appreciation to all shareholders who had submitted questions in advance of the Company’s Extraordinary General Meeting (“EGM”) to be convened and held by way of electronic means on Thursday, 25 February 2021 at 10.30am.

In addition to the Company’s announcement dated 9 February 2021 titled ‘Frequently Asked Questions about Boustead Industrial Fund’, the Board is pleased to present both the relevant and significant questions submitted since then for the purpose of the EGM and the Company’s responses in advance of the EGM. Due to the high commercial sensitivity of some questions, the Company has not provided a response to every question that had been posed. Where there are overlaps in questions, the Company has grouped related and similar questions and provided responses.

It is important to note that these responses should be read in conjunction with the Notice of EGM and the related Circular to Shareholders (the “Circular”) dated 5 February 2021 and the Company’s announcement dated 9 February 2021, all of which had been released earlier through the SGX and with contextual reference to the proceedings of the EGM including the presentation to be made and resolutions to be tabled.

<p>1)</p>	<p>How will redemptions from Boustead Industrial Fund (“BIF”) be funded? Would it be through the sale of BIF’s properties?</p>
<p>2)</p> <p>Responses for questions 1 and 2:</p>	<p>How often can Unitholders in BIF redeem their investments?</p> <p>As stated on page 21 of the Circular, the Units in BIF are not redeemable at the option of the Unitholders. Each Unitholder is also subject to certain transfer restrictions including a right of first offer in favour of the other Unitholders.</p> <p>In respect of the 7.0% Notes due 2031 to be issued to the Noteholders (who are also the same Unitholders), the Notes will be redeemed at their principal amount on the 10th anniversary of their issue date (the “Maturity Date”) as stated on page 26 of the Circular. The Maturity Date may be extended to the 20th anniversary or such other date, if agreed by the Noteholders and Fund Trustee. The Fund Trustee may also at its option redeem all or some of the Notes if the Fund Trustee satisfies the Notes Trustee that BIF has available excess funds (whether arising out of a sale of any part of the assets of BIF or from the operating income of BIF) or using funds raised from borrowings or capital market transactions for the purpose of such redemption.</p>
<p>3)</p> <p>Response:</p>	<p>What is the timeline for completion of the Proposed Transactions?</p> <p>As mentioned on page 38 of the Circular, the completion date for the Call and Put Option Agreements is to be no later than 30 April 2021 or such other date as mutually agreed between the contract parties.</p>
<p>4)</p> <p>Response:</p>	<p>Will the Company be taxed on distributions from BIF Units?</p> <p>The Company will not have to pay additional taxes on distributions from the Units in BIF as such distributable income from BIF would already have been taxed. However, for clarity, as stated on pages 24 to 25 of the Circular, the Company will pay a 10% concessionary tax rate on the net interest income earned on the Notes due to the Company’s status as a Noteholder, so long as the Notes continue to retain the status as ‘qualifying debt securities’ for the purposes of the Income Tax Act, Chapter 134 of Singapore.</p>

Company Announcement

<p>5) Response:</p>	<p>Are there any plans to publicly list BIF as a REIT in the future?</p> <p>Please refer to our earlier announcement dated 9 February 2021 titled 'Frequently Asked Questions about Boustead Industrial Fund', specifically our response to question 6 on page 3.</p> <p>In addition to that response, we wish to reiterate that as stated on page 21 of the Circular, an Investment Advisory Committee ("IAC") will also be established in respect of BIF. Unitholders holding at least 11% of the total number of Units shall be entitled to nominate one member to the IAC, and the voting rights of the Committee Members shall be commensurate with the proportion of Units held by the Unitholder nominating the respective Committee Member. Initially, there will be three Committee Members, each representing the three initial Unitholders (the Company, AP SG 21 Pte Ltd and Metrobilt Construction Pte Ltd). Certain reserved matters require the unanimous approval of the IAC. Given the expected materiality of a decision on a potential listing of a REIT from the properties of BIF, such a decision would fall under reserved matters of the IAC in the future and would have to receive the unanimous approval of the IAC at such time to proceed.</p>
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-- END OF COMPANY ANNOUNCEMENT --

By Order of the Board

Tay Chee Wah
Company Secretary

Company Announcement

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments under the BCA's Green Mark Programme and also the quality leader on the BCA's CONQUAS all-time top 100 industrial projects list.

In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 16 Safety & Health Award Recognition for Projects (SHARP) to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017. We are one of only 95 SGX-listed corporations on the SGX Fast Track Programme, which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance for their corporate action submissions. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering and technology group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Contact Information

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