

BOUSTEAD PROJECTS RECEIVES SHAREHOLDER APPROVAL FOR TRANSFORMATIONAL BOUSTEAD INDUSTRIAL FUND

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the circular to shareholders of Boustead Projects Limited dated 5 February 2021 in relation to (i) the Proposed Transactions (comprising the Proposed Subscription and the Proposed Divestment) and (ii) the assignment of the BP-SF Transferred Loan to the Company pursuant to the Relevant Loan Transaction.

- **Shareholders unanimously approve and pass Proposed Transactions for Boustead Industrial Fund, paving way to unlock value of leasehold portfolio, recycle capital and complete setup of new real estate fund management services platform in form of scalable private business trust**
- **Boustead Industrial Fund will focus on business park, industrial and logistics properties, with Boustead Projects sponsoring first 14 quality properties with total market valuation of S\$511.3 million at envisaged total consideration of S\$519.9 million**
- **Boustead Projects' share of sales consideration for transferred interest is S\$332.2 million, resulting in expected gain on disposal of S\$136.1 million after reinvestment in Boustead Industrial Fund**

SINGAPORE, 25 FEBRUARY 2021

Boustead Projects Limited (“Boustead Projects” or the “Company”) – a leading provider of smart, eco-sustainable and future-ready business park and industrial real estate solutions – is pleased to announce that at the Company’s Extraordinary General Meeting (“EGM”) held today, the Company’s shareholders unanimously approved and passed the tabled resolutions, paving the way for Boustead Projects to proceed with unlocking the value of its leasehold portfolio through its establishment of Boustead Industrial Fund (“BIF”). BIF sets the stage for Boustead Projects to build upon a transformational business model and integrated real estate platform uniting all parts of the business park and industrial real estate value chain – from value-added capabilities in real estate engineering & construction, development and asset management services to fund management services.

BIF represents a scalable private business trust established by Boustead Projects as the sponsor and fund manager (the “Fund Manager”), with a focus on business park, industrial and logistics properties. The first 14 properties to be acquired by BIF have been seeded by Boustead Projects and its joint venture partners, through the sale of full and/or partial interests in 10 of Boustead Projects’ wholly-owned properties and four of Boustead Projects’ jointly-owned properties to BIF, with a total market valuation of S\$511.3 million for an envisaged total consideration of S\$519.9 million (assuming BIF had acquired 100% interest in all 14 properties), of which Boustead Projects’ share of the sales consideration for its transferred interest is S\$332.2 million.

Boustead Projects will also be a Unitholder and Noteholder in BIF, initially subscribing for an expected 25% holding of the Units and Notes within BIF. Boustead Projects has successfully brought in new investors – AP SG 21 Pte Ltd, a special purpose vehicle for institutional real estate investors, and Metrobilt Construction Pte Ltd, an indirect wholly-owned subsidiary of SGX-listed Metro Holdings Ltd – to initially subscribe for 49% and 26% respectively of the Units and Notes in BIF. Subject to its investment mandate, BIF possesses the capabilities to acquire Boustead Projects’ pipeline of current and future developments, along with third-party properties from the open market and may also invest into development projects subject to certain thresholds, providing BIF with several potential avenues of growth and wide-ranging flexibility to execute strategic plans.

Mr Thomas Chu, Managing Director of Boustead Projects said, “In the past two years, we had explicitly stated our intentions to actively review options to unlock the value of our leasehold portfolio, with the Board making this a key priority. As the global COVID-19 pandemic spread, it seemed as if our window to unlock the value had all but closed. However, credit goes to the team led by our Deputy Chairman & Executive Director, Mr Wong Yu Wei for establishing BIF and bringing in our new investors and partners, even as the task seemed daunting to accomplish given the extremely

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challenging circumstances. BIF adds a new platform for the long-term holding of stabilised high-quality business park and industrial property assets to our integrated business model, completing Boustead Projects' end-to-end offerings across the business park and industrial real estate value chain and from this perspective, is truly transformational. The outlook for our engineering & construction business including design-and-build continues to remain challenging but is expected to be buffered by the performance of the real estate business and our establishment of BIF. Other than BIF, our real estate team has also made great strides in the past six months to secure a range of new tenants including Zuellig Pharma, NETS, Shopee, JustCo and a global Fortune 500 technology corporation for both existing and new developments. We also landed our first green loan for ALICE@Mediapolis from UOB, another milestone in our eco-sustainability journey. We continue to work hard through these challenging times."

As the Fund Manager of BIF, Boustead Projects' wholly-owned subsidiary, Boustead Industrial Fund Management Pte Ltd will manage the portfolio of properties under BIF and will earn a similar set of fees as that typically earned by listed REIT managers such as base, performance, acquisition, divestment and development fees. Boustead Projects' other wholly-owned subsidiaries may also earn fees for other types of services provided including property management services. As BIF grows, Boustead Projects' fund management business is expected to steadily grow and become a more meaningful part of the real estate business.

Of the expected S\$328.4 million in gross proceeds to be received by Boustead Projects for its share of the transferred interest into BIF, Boustead Projects intends to:

- Discharge about S\$98.0 million in bank loans and existing encumbrances on the transferred properties, essentially extinguishing almost all of the borrowings on Boustead Projects' balance sheet;
- Spend about S\$72.7 million to initially subscribe for 25% of Units and Notes in BIF; and
- Spend about S\$20.5 million for other agreed costs including professional, legal, rectification and other potential top-ups, along with associated taxes.

The balance of about S\$137.2 million will be made available for the pursuit of Boustead Projects' growth strategies and expansion of Boustead Projects' businesses in Singapore and overseas, along with the potential declaration of a special dividend. Boustead Projects intends to accelerate its international expansion more rapidly, especially in Vietnam, where it recently signed agreements to jointly invest in Boustead & KTG Industrial Management Co, Ltd, a manager of industrial properties; and KTG Industrial Bac Ninh Development Joint Stock Company ("KTG Industrial Bac Ninh"), which holds 16 ready-built factories that are 100%-leased.

Once the Proposed Transactions of BIF are completed, Boustead Projects will still partially own three BIF leasehold properties (where only 49% of the total shareholding interest has been transferred to BIF) and another 11 wholly-owned and jointly-owned leasehold properties in Singapore and overseas (excluding KTG Industrial Bac Ninh's properties as the deal has not been completed), with a total market valuation in excess of S\$700 million inclusive of joint venture partners' shareholding interests.

Mr Wong Yu Wei, Deputy Chairman & Executive Director of Boustead Projects added, "BIF is envisioned to provide Boustead Projects with the numerous benefits that would have been comparable to having a listed REIT, in addition to greater flexibility and alignment of the objectives of unitholders, as well as anticipated tax benefits that go beyond what a listed REIT structure would have offered. We look forward to building upon the BIF platform to further grow our real estate development and fund management services."

For the full details of BIF, please refer to the circular dated 5 February 2021, the announcement dated 9 February 2021 titled 'Frequently Asked Questions about Boustead Industrial Fund', the announcement dated 24 February 2021 titled 'Boustead Projects Extraordinary General Meeting Advance Questions and Responses' and the disclosures in management's presentation slides for the Company's EGM held today.

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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.

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