

BOUSTEAD PROJECTS SUCCESSFULLY COMPLETES TRANSACTIONS TO LAUNCH 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.

- **Completed Proposed Initial Subscription and Proposed Divestment for Boustead Industrial Fund – Boustead Projects’ maiden scalable private business trust for holding stabilised real estate assets on long-term basis – following unanimous shareholder approval at recent EGM**
- **Completed setup of new real estate fund management services platform under wholly-owned subsidiary, Boustead Industrial Fund Management Pte Ltd**
- **Unlocked value from Boustead Projects’ leasehold portfolio**
- **Raised gross proceeds of about S\$328.4 million, of which approximately S\$139.4 million intended to be used for growth and regional expansion, general corporate and working capital requirements, along with potential declaration of special dividend**

SINGAPORE, 4 MARCH 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 the Company has successfully completed the Proposed Transactions (comprising the Proposed Initial Subscription and the Proposed Divestment) (the “Completion”) in connection with the establishment of Boustead Industrial Fund (“BIF”), following unanimous shareholder approval that was received at the Company’s recent extraordinary general meeting held on 25 February 2021 and the completion of conditions precedent contained in the agreements entered into in connection with the Proposed Transactions. BIF sets the stage for Boustead Projects to build upon a transformational business model and integrated 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 is the Company’s maiden scalable private business trust, which following the Completion, has acquired full or partial interests in 14 properties seeded by the Company and its joint venture partners. The total market valuation of these properties is S\$511.3 million and their envisaged total consideration is S\$519.9 million (assuming BIF had acquired 100% interest in all 14 properties).

At the same time, the Company, through its wholly-owned subsidiary, BP-Real Estate Investment Pte Ltd, now holds 25% of the Units and Notes in BIF, with the Company’s wholly-owned subsidiary, Boustead Industrial Fund Management Pte Ltd (“BIFM”) holding the role of Fund Manager of BIF. The other initial investors also completed the necessary steps to subscribe for the Units and Notes in BIF, with AP SG 21 Pte Ltd and Metrobilt Construction Pte Ltd now holding 49% and 26% respectively of the Units and Notes in BIF.

The successful launch of BIF has unlocked value from the Company’s leasehold portfolio, which will enable the Boustead Projects Group to recycle capital towards strategic plans. With the Completion, the Company raised gross proceeds of S\$328.4 million which have been applied to the following activities:

- About S\$95.8 million spent to discharge bank loans and existing encumbrances on the properties transferred to BIF, essentially extinguishing almost all of the borrowings on the Company’s balance sheet;

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- About S\$72.7 million spent on the Proposed Subscription; and
- About S\$20.5 million allocated for other agreed costs including professional, legal, rectification and other potential top-ups, along with associated taxes.

The Company intends to apply the remaining balance of S\$139.4 million towards the pursuit of its growth strategies and the expansion of its businesses in Singapore and overseas, general corporate and working capital requirements, along with the potential declaration of a special dividend.

As previously disclosed, the Company intends to accelerate its international expansion, 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 which holds 16 ready-built factories that are 100%-leased.

Mr Samuel Lim, Director (Real Estate), said “The successful launch of Boustead Industrial Fund, our maiden fund for the long-term holding of stabilised real estate assets, marks a significant milestone in transforming Boustead Projects’ real estate business from a developer-owner model to one focused on development and management, where stabilised assets can thereafter be injected into investment platforms sponsored and managed by Boustead Projects – platforms envisaged to offer competitive long-term yields to institutional and sophisticated investors.”

Mr Lim added, “Boustead Industrial Fund is well-positioned for growth through the further acquisition of stabilised properties, with a visible pipeline of assets under development or stabilisation by Boustead Projects, in addition to other third-party assets available on the open market. The growth of Boustead Industrial Fund is in turn expected to progressively contribute to Boustead Projects’ development, asset management and fund management businesses.”

For additional details relating to the Completion, please refer to the announcement titled ‘Completion of Proposed Initial Subscription and Proposed Divestment in Connection with Establishment of Boustead Industrial Fund’ concurrently released on 4 March 2021 alongside this media release. 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 on 25 February 2021.

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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.

Contact Information

For investor and media enquiries related to Boustead Projects Limited, please contact:

Mr Winson Teo
Manager
Corporate Marketing & Investor Relations

T +65 6748 3945
D +65 6709 8109
E winson.teo@boustead.sg