

COMPLETION OF PROPOSED INITIAL SUBSCRIPTION AND PROPOSED DIVESTMENT IN CONNECTION WITH ESTABLISHMENT OF 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.

SINGAPORE, 4 MARCH 2021

1) Introduction

The Board of Directors of 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 following (i) the receipt of Shareholders’ approval for the Proposed Transactions (comprising the Proposed Subscription and Proposed Divestment) at an extraordinary general meeting (the “EGM”) held on 25 February 2021 and (ii) the completion of all conditions precedent contained in the agreements entered into in connection with the Proposed Transactions, the Company has on 3 March 2021 successfully completed the Proposed Initial Subscription and the Proposed Divestment in connection with the launch of Boustead Industrial Fund (“BIF”).

2) Completion of Proposed Initial Subscription

The Company has completed the Proposed Initial Subscription pursuant to the Fund Subscription Agreement and the Notes Subscription Agreement. Prior to the completion of the Proposed Initial Subscription, the Company transferred its one Unit in BIF, which was issued to the Company at an issue price of S\$1.00 upon constitution of BIF, to its wholly-owned subsidiary, BP-Real Estate Investment Pte Ltd (“BP-RE”) on 3 March 2021.

Following completion of the Proposed Initial Subscription, the Company, through BP-RE, holds a 25.0% interest in the Units of BIF and S\$59,000,000 in principal amount of the Notes representing 25.0% of the aggregate principal amount of Notes issued. AP SG 21 Pte Ltd and Metrobilt Construction Pte Ltd, the other initial fund investors of BIF, each hold Units and Notes comprising 49.0% and 26.0% respectively of the total Units and Notes in issue in BIF.

3) Completion of Proposed Divestment

The Company has completed the Proposed Divestment (comprising the sale of the Directly Held Properties and the Company’s 49.0% interest in each of the SPVs) to BIF pursuant to the Call and Put Option Agreements and the Sale and Purchase Agreements for an aggregate consideration of S\$332.2 million. The completion of the Proposed Divestment took place following the exercise of the call options by the Fund Trustee under the Call and Put Option Agreements.

The completion of the Proposed Divestment raised gross proceeds of approximately S\$328.4 million, which have been applied to the following:

- i) approximately S\$95.8 million spent to discharge the existing encumbrances over the Initial Industrial Properties;

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- ii) approximately S\$0.9 million spent for the estimated professional and other fees and expenses (including valuation and legal fees) incurred or to be incurred by the Company in connection with the Proposed Transactions;
- iii) approximately S\$72.7 million spent for the Proposed Subscription; and
- iv) approximately S\$19.6 million allocated for associated taxes, rectification works, estimated aggregate Monthly Shortfall Amount and payment in relation to the Capital Top-Up Deed.

The balance of approximately S\$139.4 million is currently intended to be used by the Company to pursue its growth strategies by funding investments in its principal businesses, with the remaining amount to be used for general corporate and working capital requirements. The Board may also declare a special dividend out of the balance, which shall be subject to approval of the Shareholders and applicable laws and regulations. Shareholders should not place undue reliance on any expectation that any special dividend will be made, and Shareholders and other investors are advised to exercise caution when dealing in the Shares.

-- END OF 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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