RESPONSE TO STRAITS TIMES ARTICLE REGARDING VOLUNTARY UNCONDITIONAL CASH OFFER FOR THE COMPANY

SINGAPORE, 10 APRIL 2023

The Board of Directors of Boustead Projects Limited (the "Company" or the "Offeree") refers to the commentary titled "Privatisation offers too often a dilemma for shareholders" by David Gerald published in the Straits Times on 27 March 2023 (the "Commentary") and sets out its responses to the statements in the Commentary which are directly relevant to the Company below.

Unless otherwise defined, all capitalised terms used herein shall have the meaning ascribed to it in the offeree circular dated 13 March 2023 issued by the Company in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (the "Offeree Circular").

(1) The Offer Price and the IFA's opinion

The Company refers to the statements in the Commentary made in the preamble and the section titled "The role of IFAs and regulators" in relation to the IFA's opinion. The IFA's opinion in respect of the Offer was set out in paragraph 9 of the IFA Letter and was extracted at Section 10.3 of the Offeree Circular. Pages 19 to 21 of the Offeree Circular set out a detailed explanation on the separate concepts of "fair" and "reasonable". The IFA spells out (at page 20 of the Offeree Circular) the factors it considered to arrive at the opinion that the financial terms of the Offer were not fair but reasonable. The Company is of the view that the IFA has clearly explained the bases for its conclusion that the Offer was not fair but reasonable.

Under the Practice Statement on the Opinion Issued by an Independent Financial Adviser in Relation to Offers, Whitewash Waivers and Disposal of Assets under the Code issued by the SIC on 25 June 2014 and amended on 28 February 2017 and 13 July 2020 (the "Practice Statement"), an offer can be assessed by an independent financial adviser to be "not fair but reasonable". The Practice Statement provides that such a conclusion by the independent financial adviser should be based on its view that despite the offer being "not fair", the offer is "reasonable" after taking into consideration other matters as well as the value of the offeree securities. The Practice Statement further provides that the recommendation of the independent financial adviser in cases where an offer is "not fair but reasonable" would be to accept the offer. The IFA has recommended that Shareholders accept the Offer following its conclusion that the Offer is not fair but reasonable based on the factors it considered (as set out at page 20 of the Offeree Circular).

Referencing the Practice Statement, the Company is of the view that the IFA's opinion was clear, unequivocal and made in accordance with the requirements of the Practice Statement. The IFA's opinion expressly guided the Independent Directors and Shareholders (as set out on paragraph 9 of the IFA Letter at page 79 of the Offeree Circular, and extracted in full by the Company on page 20 of the Offeree Circular) that "*Based on our opinion, we advise the Independent Directors to recommend that shareholders accept the Offer, unless shareholders are able to obtain a price higher than the Final Offer Price on the open market, taking into account all transaction costs in connection with open market transactions*."

(2) The role of independent directors

The Company refers to the statements in the Commentary made in the section titled "The role of independent directors" in respect of the Directors making a recommendation on the Offer.

Rule 24.1(a) of the Code states that the offeree circular should indicate whether or not the board recommends to shareholders the acceptance or rejection of the take-over offer. Note 3 on Rule 24.1 of the Code states that directors who have an irreconcilable conflict of interests and those who have been exempted by the SIC from making recommendations to shareholders should not join the remainder of the board in the expression of its views on the offer. Each of the Independent Directors has made his own assessment of independence for the purposes of the Offer and is of the view that he does not face an irreconcilable conflict of interest that would make it inappropriate for him to make a recommendation on the Offer. A director of the offeree company who is a person acting in concert with the offeror would normally be exempted from assuming responsibility for any recommendations on the offer that the board of the offeree company makes to its shareholders. The Independent Directors did not fall within the exception to be so exempt.

Having considered the terms of the Offer and the advice given by the IFA, the Independent Directors concur with the advice of the IFA and made their recommendation to Shareholders as set out in full in the IFA Letter (as extracted in Section 10.4 of the Offeree Circular).

The Company has disclosed the interests of the Offeree's directors in the shares of the Offeree (as set out in paragraph 4.5 of Appendix II (on page 82) to the Offeree Circular). The Company also disclosed the interests of the Offeree's directors in the shares of the Offeror in paragraph 4.3 of Appendix II (on page 81) to the Offeree Circular. In this regard, the Company repeats that:

(a) Mr. Chu Kok Hong @ Choo Kok Hong ("Mr. Chu") has a direct interest in 243,432 shares in the Offeror, and a deemed interest in 5,478 shares in the Offeror (or approximately 0.05% of the total shareholding of the Offeror). He is a very insignificant shareholder in the Offeror, no different from a public shareholder.

Contrary to what is stated in the Commentary, Mr. Chu is, and has been for the past 25 years, an employee of the Company. The Company was a wholly-owned subsidiary of the Offeror prior to the Company's listing on the Mainboard of the SGX-ST on 30 April 2015.

(b) Mr. John Lim Kok Min ("Mr. Lim") has a direct interest in 579,890 shares in the Offeror, which represents approximately 0.12% of the total shareholding of the Offeror. Similarly, he is a very insignificant shareholder in the Offeror, no different from a public shareholder.

Mr. Lim was an independent non-executive director of the Offeror from 6 June 1997 to 29 April 2015, and does not have a continuing relationship with the Offeror in this regard.

Save as set out above, none of the other Independent Directors hold any shares in the Offeror or is related to any of the directors of the Offeror.

The award of the Award Treasury Shares to the Directors was in recognition of their instrumental role in the establishment of the Boustead Industrial Fund. The Award Treasury Shares were transferred to the Directors who paid cash for the shares at a price of S$0.806 per Award Treasury Share. Please refer to section 3 of the Proposed Award of Shares Circular for further information. Shareholder approval for the award of the Award Treasury Shares was obtained on 28 July 2021. The moratorium on the Award Treasury Shares (referred to in paragraph 4.11 of Appendix II to the Offeree Circular) is a condition of the grant of the Award of Shares that was approved by the Shareholders. The Company has no control over how the Offeror and these Directors may deal with the balance Award Treasury Shares when the moratorium over the Award Treasury Shares is lifted in August 2023. The Company wishes to clarify that the award of the Award Treasury Shares to the Directors was undertaken in August 2021 and well before the Offer and each of the Offeree's directors is a very insignificant shareholder in the Offeree. In any case, holding shares in the offeree company in such insignificant

amounts does not create an irreconcilable conflict of interest that would require a director to abstain from making a recommendation to shareholders.

The Company finally refers to the statements in the Commentary made in the section titled “The role of independent directors” in respect of the fees paid to the IFA. Payment of the fees to the IFA is not dependent on the Offeror having taken control of the Company.

-- END OF COMPANY ANNOUNCEMENT --

By Order of the Board

Tay Chee Wah
Company Secretary

About Boustead Projects Limited

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative eco-sustainable real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. Our core businesses are uniquely integrated to support the ecosystem of diversified classes of real estate, comprising:

- Turnkey engineering, full-fledged integrated digital delivery ("IDD"), and project and construction management encompassing design-and-build;
- Real estate development, asset and leasing management; and
- Real estate fund management including being the sponsor and manager of Boustead Industrial Fund, a scalable private real estate trust platform for business park, logistics and industrial properties, and joint owner of Echo Base-BP Capital Pte Ltd, an Asia-centric fund management and services platform focused on smart buildings and integrated developments.

To date, we have constructed and/or developed more than 3,000,000 square metres of real estate for clients including Fortune 500, S&P 500 and Euronext 100 corporations, across diverse sectors like aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management, among others. Under the Boustead Development Partnership with a reputable Middle East sovereign wealth fund, we have developed or redeveloped more than half a million square metres of real estate in Singapore including landmark developments like ALICE@Mediapolis and GSK Asia House.

Our in-house capabilities are backed by core engineering expertise, the progressive adoption of transformative methodologies including full-fledged IDD and Industry 4.0 technologies and augmented by strategic partnerships which enable the co-creation of smart, eco-sustainable and future-ready developments. Our wholly-owned Engineering & Construction subsidiary in Singapore, Boustead Projects E&C Pte Ltd ("BP E&C") is the eco-sustainability leader in pioneering Green Mark Platinum-rated new private sector industrial developments under the Building & Construction Authority ("BCA") Green Mark Certification Scheme and a national champion of best practices for transformation, quality, environmental, and workplace safety and health ("WSH") management. BP E&C's related achievements include being the first SkillsFuture Queen Bee for the built environment sector, quality leader on the BCA CONQUAS all-time top 100 industrial projects list and one of only eight bizSAFE Mentors, receiving numerous awards for exemplary WSH performance.

We were awarded the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition, a recognition of our best practices in corporate governance and leadership, innovation and resilience during the COVID-19 pandemic. We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme.

Boustead Projects is a 55%-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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