BOUSTEAD PROJECTS STRENGTHENS PRESENCE IN VIETNAM VIA STRATEGIC COLLABORATION WITH KHAI TOAN JOINT STOCK COMPANY IN REAL ESTATE ACTIVITIES AND PORTFOLIO

SINGAPORE, 5 MAY 2022

1) Introduction

Boustead Projects Limited ("Boustead Projects" or the "Company") – a leading provider of innovative real estate solutions – is pleased to announce that its wholly-owned subsidiary, BP-Vietnam Development Pte. Ltd. ("BP-VD") has today entered into strategic collaboration arrangements with Khai Toan Joint Stock Company ("KTG") to acquire, develop and own a portfolio of logistics and industrial properties in Vietnam (the "Strategic Collaboration"). The Strategic Collaboration will strengthen Boustead Projects' business presence in Vietnam and is made in the ordinary course of Boustead Projects' real estate business.

KTG is a strong and reputable local partner with a large industrial real estate footprint in key logistics regions within Vietnam and in particular, has developed and owns numerous industrial real estate assets in the Greater Hanoi and Greater Ho Chi Minh regions. It is Boustead Projects' intention and objective to further bolster its cooperation and business relationship with KTG through exploring in future, other available and attractive opportunities presented by KTG's other assets in Vietnam.

2) Strategic Collaboration

Pursuant to the Strategic Collaboration, BP-VD will own a portfolio of logistics and industrial properties in Vietnam via acquiring and holding 60.0% of the issued and paid-up share capital in KTG & Boustead Joint Stock Company ("KBJSC"), which will be transferred from KTG at a consideration of Vietnamese Dong ("VND") 651,000,000,000 (equivalent to approximately USD28.2 million)[1] (the "Purchase Price").

KBJSC is the 100% parent company of KTG & Boustead Industrial Logistics Joint Stock Company ("KBIL"), which owns the following logistics and industrial properties through special purpose vehicles ("KBIL SPVs") where the properties held by the KBIL SPVs have a total market value of USD84.2 million (based on a valuation report by Jones Lang LaSalle Vietnam Co. Ltd.):

a) 54,000 square metres ("m^2") of land and buildings (including a building under construction) at Lot A204-205-206-207, Nhon Trach Textile Industrial Park, Hiep Phuoc Commune, Nhon Trach District, Dong Nai Province, Vietnam;

b) 33,900 m^2 of land and buildings (including a building under construction) at Vo Van Tan Street, Nhon Trach 3 Industrial Park – Phase 2, Long Tho Commune, Nhon Trach District, Dong Nai Province, Vietnam;

c) 62,429 m^2 of land at No 2 Street, Nhon Trach 3 Industrial Park – Phase 2, Long Tho Commune, Nhon Trach District, Dong Nai Province, Vietnam;

d) 36,000 m^2 of land and buildings (including a building under construction) at Lot CN13-1, Yen Phong Industrial Park (Expanded Area), Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam;

[1] An exchange rate of USD1 to VND23,093 has been applied for the purpose of this Announcement, which will be adjusted based on the prevailing exchange rate as at the date of transaction.

e) 60,000 m^2 of land and buildings (including a building under construction) at Lot CN02-1, Yen Phong Industrial Park (Expanded Area), Yen Trung Commune, Yen Phong District, Bac Ninh Province, Vietnam; and

f) 150,000 m^2 of land at Lot CN4-1, Yen Phong 2C Industrial Park, Tam Giang Commune, Yen Phong District, Bac Ninh Province, Vietnam,

(collectively, "Portfolio Assets").

Boustead Projects had previously on 2 June 2021 entered into an option agreement with KTG for the acquisition of 49.0% equity interest in KBJSC, for which BP-VD had paid a deposit amount of VND289,250,000,000 (equivalent to USD12.5 million). The deposit amount will be set off against the Purchase Price on completion.

The Purchase Price was arrived at on a willing-buyer, willing seller basis based on the net asset value of KBJSC, agreed property value of the relevant assets and such other adjustments agreed between the parties, and will be satisfied as follows:

a) On the following conditions being fulfilled (or waived in writing by BP-VD):

i) KBIL owning the Portfolio Assets through the KBIL SPVs;

ii) Satisfactory due diligence results by BP-VD;

iii) Appointment of Boustead Projects' representatives as joint legal representatives and co-bank account signatories of selected KBIL SPVs; and

iv) Approval of the relevant Vietnamese licensing authority being obtained,

the deposit amount of VND289,250,000,000 (equivalent to USD12.5 million) will be applied for partial payment of the Purchase Price in consideration of KTG transferring 60.0% equity interest in KBJSC to BP-VD; and

b) The balance Purchase Price of VND362,560,000,000 (equivalent to USD15.7 million) will be paid to KTG on the satisfactory rectification of any due diligence issues (if any) identified by BP-VD.

3) <u>Strategic Collaboration in Ordinary Course of Real Estate Business</u>

The Strategic Collaboration is made in Boustead Projects' ordinary course of real estate business as a developer-owner of logistics and industrial real estate, with a view to enhancing their value propositions through applying Boustead Projects' management, experience, expertise and suite of innovative real estate solutions. The Strategic Collaboration also falls within Boustead Projects' existing business of owning, developing and managing real estate, in line with its strategy to grow its income-yielding leasehold portfolio and expand within the region.

The Company assesses that the Strategic Collaboration does not materially change any risk profile of Boustead Projects. Based on the latest audited financial statements of the Group for the financial year ended 31 March 2021 ("FY2021") and assuming that the Strategic Collaboration had been effected as at the end of FY2021, there is no material impact to the Group's net profit or net asset value by 20% or more. Moreover, as far as the Company is aware, based on KBJSC's unaudited group financial statements for the financial year ended 31 December 2021 (prepared under its existing accounting policies), KBJSC is not loss-making or in a net liability position. Further, the Strategic Collaboration does not have any significant adverse impact on the Group's gearing or result in an expansion into a new jurisdiction that will expose the Group to significant new risks, since the Group already has an established business

presence in Vietnam. Accordingly, the Strategic Collaboration is made in the ordinary course of Boustead Projects' business in accordance with paragraph 2.3 of Practice Note 10.1 and is not subject to Chapter 10 of the Listing Manual.

4) Financial Effects

The Strategic Collaboration is not expected to have any material impact on the results of the Group for the current financial year ending 31 March 2023.

5) Directors' Service Contracts

No person is intended to be appointed as a director of Boustead Projects in connection with the Strategic Collaboration and no service contract is intended to be entered into between Boustead Projects and any such person.

6) Interest of Directors and Controlling Shareholders

None of the directors or controlling shareholders of Boustead Projects or their respective associates have any interest, direct or indirect, in the Strategic Collaboration, other than through their respective directorships and/or shareholdings in Boustead Projects.

7) Directors' Responsibility Statement

The directors of Boustead Projects collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Strategic Collaboration and the Group, and they are not aware of any facts, the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of Boustead Projects has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

8) Cautionary Statement

Shareholders and potential investors of Boustead Projects are advised to read this Announcement and any further announcements carefully. Shareholders are advised to refrain from taking any action in respect of their securities in Boustead Projects which may be prejudicial to their interests, and to exercise caution when dealing in the securities of Boustead Projects. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

-- 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 business park and industrial real estate ecosystem, 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 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, one of only eight bizSAFE Mentors and also bizSAFE Star, 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 – among only 26 SGX-listed corporations to be honoured across all market capitalisation categories and only nine in the Small Cap Category. 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 – which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and for maintaining 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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