BOUSTEAD INDUSTRIAL FUND PROPOSED ACQUISITION OF 26 TAI SENG STREET IN SINGAPORE

SINGAPORE, 30 JANUARY 2023

1) Introduction

The Board of Directors ("Board") of Boustead Projects Limited (the "Company", and together with its subsidiaries, the "Group"), wishes to announce that:

a) Perpetual (Asia) Limited (in its capacity as trustee of Boustead Industrial Fund) ("BIF" or the "Purchaser") has on 30 January 2023 executed a Put and Call Option Agreement ("PCOA") with Suki Sushi Pte Ltd (the "Vendor") for the acquisition of the property at 26 Tai Seng Street, Singapore 534057 (the "Property" and the proposed acquisition of the Property be known as "Proposed Acquisition").

b) BIF will acquire the property at a purchase price of S$98,767,600, negotiated on a willing-buyer, willing-seller basis. The total cost of the acquisition is estimated to be S$109,500,000, factoring in the estimated upfront land premium for the balance of the Property's first 30-year leasehold land tenure.

c) BIF will fund the Proposed Acquisition with the issuance of up to S$10,880,000 units ("Units") in BIF and S$50,000,000 of 7.0% notes due 2031 ("Notes") as part of BIF's S$1,000,000,000 notes programme (the "Notes Programme"), in addition to new bank borrowings.

d) In its capacity as a 25.0% unitholder and noteholder in BIF, BP-Real Estate Investment Pte Ltd ("BP-RE"), a wholly-owned subsidiary of the Company, has agreed to subscribe up to an aggregate S$15,220,000 in Units and Notes in BIF to partially fund the Proposed Acquisition according to its corresponding unitholding.

2) Information on Boustead Industrial Fund

Established and sponsored by the Group, BIF is a private real estate trust with the investment objective to invest in, administer and manage certain investments in logistics, business park and industrial properties to achieve a stable flow of recurring income and capital growth for its unitholders. As at the date of this announcement, BIF has wholly-owned interests in 12 properties and 49.0% interests in three property holding entities in Singapore.

3) Proposed Acquisition

3.1) About Vendor

The Vendor is a Food & Beverage ("F&B") operator with several brands and restaurants within its portfolio.

3.2) Information on Property

The Property, also known as J'Forte Building, is an eight-storey industrial building with a basement carpark and has white space located at the first storey. It has a gross floor area ("GFA") and land area of approximately 17,931 square metres and 6,589 square metres respectively. The Property has a leasehold land tenure of 30 years commencing from 9 June

2007, with an option to renew for a further leasehold land tenure of 30 years. The Property is designated as Lot No. 6531P of Mukim 23 and has major tenants in the F&B, lifestyle and banking sectors, including the Vendor's own F&B operations.

3.3) Principal Terms of Put and Call Option Agreement

3.3.1) Purchase of Property

Pursuant to the PCOA, the Vendor shall sell, as a going concern, its leasehold interest in the Property together with the M&E Equipment free from all encumbrances on completion of the Proposed Acquisition. As part of the Proposed Acquisition, the Vendor will lease back approximately 60.0% of the GFA of the Property, with the remaining tenancies to be assigned over to the Purchaser (as landlord) ("Proposed Anchor Lease and Sub-Lease Assignments").

3.3.2) Consideration

The purchase price payable by the Purchaser to the Vendor for the Proposed Acquisition is S$98,767,600 (the "Purchase Price").

3.3.3) Conditions Precedent

The completion of the PCOA shall be subject to and conditional upon the following major conditions being fulfilled (or waived in writing by the Purchaser):

a) The Vendor having obtained the approval of JTC Corporation ("JTC") in respect of the Proposed Acquisition and Proposed Anchor Leases and Sub-Lease Assignments on terms satisfactory to the Purchaser and the Vendor;

b) The Vendor having obtained JTC's written confirmation that the Vendor has performed and complied with the terms and conditions set out in the JTC head lease of the Property;

c) Completion of rectification works as may be identified by the Purchasers in its technical due diligence; and

d) Execution and delivery of the anchor lease agreements and other ancillary contracts in respect of the Proposed Anchor Lease and Sub-Lease Assignments,

(collectively, the "Conditions Precedent", each a "Condition Precedent").

3.3.4) Completion

Completion is intended to take place within 15 weeks after the date of the PCOA or such other date as the parties may mutually agree in writing, whichever occurs earlier.

4) Funding of Acquisition

4.1) BIF has on 22 October 2021 established a S$1,000,000,000 Notes Programme to help BIF grow on a continuing basis, as capital which can be called upon for future properties to be acquired by BIF. Under the Notes Programme, BIF may from time-to-time issue notes in series or tranches in Singapore dollars.

4.2) BIF will issue an aggregate of up to S$10,880,000 in Units in BIF to (i) BE-RE, (ii) AP SG 21 Pte Ltd ("APSG") and (iii) Metrobilt Construction Pte Ltd ("Metrobilt"), an indirect wholly-owned

subsidiary of Metro Holdings Ltd, a company listed on the SGX Mainboard, (collectively the "Unitholders") to partially fund the Proposed Acquisition. BP-RE has agreed to subscribe for up to 2,720,000 Units at an issue price of $1.00 per Unit in BIF.

4.3) Pursuant to the Notes Programme, BIF has agreed to issue an aggregate of S$50,000,000 in principal amount of Notes to partially fund the Proposed Acquisition. BP-RE has agreed to subscribe for S$12,500,000 in principal amount of the Notes, representing 25.0% of the aggregate principal amount of the Notes.

4.4) APSG and Metrobilt have agreed to subscribe to the Units and Notes in proportion to their existing holdings of Units to partially fund the Proposed Acquisition.

4.5) BIF will fund the remaining cost of the Proposed Acquisition through new bank borrowings.

5) Rationale for Proposed Acquisition

The Proposed Acquisition is made in the ordinary course of BIF's mandate. The Proposed Acquisition forms part of the strategy to progressively inject assets into BIF to grow its portfolio – whether through acquisitions of the Group's properties or open market purchases of third-party properties. The Proposed Acquisition will also allow the Company to continue developing its fund management business capabilities and build recurring income streams. The Property is attractive as it:

a) Is in a prime location with good accessibility to Tai Seng MRT Station;

b) Has a long remaining leasehold land tenure of about 44 years;

c) Has a long weighted average lease expiry with a 10-year leaseback from the Vendor; and

d) Is zoned for food processing operations, with a limited supply of properties with this type of zoning in the area.

6) Financial Effects of Proposed Acquisition

The Proposed Acquisition is not expected to have a material impact on the Group's profitability, earnings per share and net tangible asset value in the current financial year ending 31 March 2023 ("FY2023").

7) Directors' and Controlling Shareholders' Interests

Mr Wong Yu Wei, the Executive Deputy Chairman of the Company, was appointed as a director of Boustead Industrial Fund Management Pte Ltd, the manager of BIF, on 20 November 2019.

To the best knowledge of the directors, save as may be disclosed in this announcement and other than through their respective shareholdings in the Company, none of the directors and controlling shareholders has any interest, direct or indirect, in the Proposed Acquisition.

8) Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition.

9) Caution in Trading

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

-- 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**.

Contact Information

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

Ms Debbie Tan
Senior Manager
Group Corporate Marketing & Investor Relations

T +65 6748 3945
D +65 6709 8111
E debbie.tan@boustead.sg