

**BOUSTEAD PROJECTS PROPOSED TRANSACTIONS COMPRISING  
(I) PROPOSED DIVESTMENT OF 351 BRADDELL  
ROAD TO BOUSTEAD INDUSTRIAL FUND; AND  
(II) PROPOSED SUBSCRIPTION OF UNITS AND NOTES**

**SINGAPORE, 22 OCTOBER 2021**

**1) Introduction**

The Board of Directors (“Board”) of Boustead Projects Limited (the “Company”, and together with its subsidiaries, the “Group”) refers to the announcements of the Company dated 31 December 2020 and 4 March 2021 and the circular to shareholders dated 5 February 2021 in relation to the initial subscription of up to 75,499,999 units in Boustead Industrial Fund (“BIF”, and the units in BIF to be known as “Units”) and the S\$236,000,000 in aggregate principal amount of 7.0% notes due 2031 by the Company (through BP-Real Estate Investment Pte Ltd (“BP-RE”), Metrobilt Construction Pte Ltd (“Metrobilt”) and AP SG 21 Pte Ltd (“APSG”) as the initial fund investors in BIF (the “Previous Announcements”) and wishes to announce that:

- a) BP-Braddell LLP (the “Vendor”), a joint venture which is (i) 50%-owned by BP-SH1 Pte Ltd (“BP-SH1”), a wholly-owned subsidiary of BP-GD1 Pte Ltd (“BP-GD1”), which is in turn a wholly-owned subsidiary of the Company; and (ii) 50%-owned by CP-SH1 Pte Ltd, a wholly-owned subsidiary of The Platform-Hanwha ARESF Fund No 1, has agreed to sell its leasehold interest in the property located at 351 Braddell Road, Singapore 579713 (the “Property”) to BIF (the “Proposed Disposal”);
- b) BIF, in which the Company has a 25% interest, has agreed to acquire the Property from the Vendor (the “Proposed Acquisition”);
- c) BIF has established a S\$1,000,000,000 notes programme (the “Notes Programme”);
- d) BIF will fund the Proposed Acquisition by raising in aggregate S\$67,600,000 comprising S\$55,000,000 in principal amount of 7.0% notes due 2031 (“Series 001 Notes”) issued pursuant to the Notes Programme and S\$12,600,000 in new Units in BIF, and obtaining new bank borrowings; and
- e) BP-RE, a wholly-owned subsidiary of the Company, has agreed to subscribe for (i) S\$13,750,000 in principal amount of Series 001 Notes, representing 25% of the aggregate in principal amount of the Series 001 Notes and (ii) 3,150,000 new Units at an issue price of S\$1.00 per Unit in BIF, representing 25% of the new Units in BIF.

**2) Information on Boustead Industrial Fund**

BIF is a private business trust established with the investment objective to invest in, administer and manage certain investments in logistics, business parks and industrial properties to achieve a stable flow of recurring income and capital growth for its unitholders. As set out in the Previous Announcements, BIF had previously issued S\$236,000,000 in aggregate principal amount of 7.0% notes due 2031 and S\$54,700,000 of Units, to fund the acquisition of 11 properties in Singapore and 49.0% interests in three property holding entities.

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### 3) Proposed Disposal

#### 3.1) Introduction

The Vendor, a joint venture of the Group, has on 22 October 2021 entered into a sale and purchase agreement (the “SPA”) with Perpetual (Asia) Limited (in its capacity as trustee of BIF) (the “Purchaser” or “Fund Trustee”), pursuant to which the Purchaser agrees to acquire the Property, together with the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the property and which are owned by the Vendor (the “M&E Equipment”).

#### 3.2) Information on Property

The Property is a high-specification 7-storey multi-user smart industrial building with ancillary facilities and comprises a leasehold interest granted by the President of the Republic of Singapore (“Head Lessor”) for a term of 30 years commencing from 26 December 2018 (“Head Lease”). The Property is designated as Lot No 10824P of Mukim 17 and has major tenants including NETS, Secretlab and Electrolux.

#### 3.3) Principal Terms of Sales & Purchase Agreement

##### 3.3.1 Purchase of Property

Pursuant to the SPA, 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 Disposal (“Completion”).

##### 3.3.2 Consideration

The purchase price payable by the Purchaser to the Vendor for the Property together with the M&E Equipment is S\$121,000,000 (the “Purchase Price”). The proportionate amount attributable to the Company for the sale of the Property is S\$60,500,000. The Purchaser has agreed to pay a deposit of S\$6,050,000 (“Deposit”) to the Vendor’s solicitors within three (3) business days of the date of the SPA. The consideration for the Purchase Price was arrived at on a willing-buyer, willing-seller basis, after arm’s length negotiations and taking into consideration the independent valuation of the Property of S\$120,000,000.

The Purchaser intends to satisfy the Purchase Price for the Proposed Acquisition in the following manner:

- a) The Purchaser shall on Completion pay in cash to the Vendor the balance of the Purchase Price less (i) the Deposit, (ii) the sum of S\$16,900,000 (the “BPL Amount”) and (iii) all proper deductions in accordance with the terms of the SPA; and
- b) The BPL Amount shall be deemed to be fully paid by the Purchaser by certain off-setting arrangements to be entered into by the Purchaser, the Vendor, the Company and certain subsidiaries of the Company, whereby the payment to the Vendor of the BPL Amount is deemed satisfied via the Purchaser’s issuance of \$3,150,000 new Units at an issue price of S\$1.00 per Unit in BIF and S\$13,750,000 in principal amount of Series 001 Notes to BP-RE, a related party of the Vendor.

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### 3.3.3 Conditions Precedent

Completion shall be subject to and conditional upon the following conditions being fulfilled (or waived in writing by the Purchaser):

- a) The Vendor having obtained the Head Lessor's approval for the Proposed Disposal and confirmation that the Vendor performed and complied with the terms and conditions of the Head Lease;
- b) Such approval and confirmation from the Head Lessor not being revoked, cancelled or withdrawn by the Head Lessor on or before Completion; and
- c) In respect of the warranties set out in the SPA, there being no rescission notice served on the Vendor;

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

### 3.3.4 Completion

Completion is intended to take place on the later of:

- a) If the Condition Precedent set out in paragraph 3.3.3(a) above is fulfilled or waived in writing by the Purchaser within five (5) business days after the date of the SPA, twenty-six (26) business days after the date of the SPA; or
- b) If the Condition Precedent set out in paragraph 3.3.3(a) above is not fulfilled or waived in writing by the Purchaser within five (5) business days after the date of the SPA, the earlier to occur of the following:
  - i) Twelve (12) weeks after the date of the SPA; or
  - ii) Such other date as the parties may mutually agree in writing.

### 3.4) **Financial Information on Proposed Disposal**

Based on the latest unaudited financial statements provided by the Vendor as at 30 June 2021, the book value attributable to the Property is approximately S\$101,408,000.

A valuation on the Property was conducted by an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd ("Valuation Report"). The valuation is made on the basis of market value. The independent valuer has in its Valuation Report stated that the market value of the Property is approximately S\$120,000,000 as at 31 March 2021. The methods used by the independent valuer are the capitalisation approach and discounted cash flow approach.

### 4) **Establishment of Notes Programme**

BIF has established a S\$1,000,000,000 Notes Programme and in connection therewith, BIF has appointed United Overseas Bank Ltd and DBS Bank Ltd to act as the arrangers of the Notes Programme (collectively, the "Arrangers").

Under the Notes Programme, BIF may from time to time issue notes (the "Notes") in series or tranches in Singapore dollars. The Notes may be issued in various amounts and tenors, and may bear either fixed, floating or variable rates of interest. The Notes will constitute direct, unconditional, subordinated (to bank financing) and unsecured obligations of BIF and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations of BIF.

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The proceeds of the issuance of the Notes are intended to be utilised (i) towards the acquisition and development of properties and assets, including related acquisition costs and taxes levied on the acquisition of properties and assets, (ii) for financing investments into property holding entities and (iii) for general corporate purposes.

### 5) **Proposed Subscription of Notes and Units**

#### 5.1) **Proposed Notes Subscription**

- 5.1.1 Pursuant to the Notes Programme, the Fund Trustee has agreed to issue up to S\$55,000,000 in principal amount of Series 001 Notes to BP-RE, APSG and Metrobilt (collectively, the “Series 001 Notes Subscribers”), to partially fund the Proposed Acquisition. BP-RE has agreed to subscribe for S\$13,750,000 in principal amount of Series 001 Notes, representing 25% of the aggregate principal amount of the Series 001 Notes, via the notes subscription agreement dated 22 October 2021 entered into between the Fund Trustee, Boustead Industrial Fund Management Pte Ltd (the “Fund Manager”), the Arrangers and the Series 001 Notes Subscribers (“Notes Subscription Agreement”).
- 5.1.2 The other subscribers of the Series 001 Notes are (i) APSG, a special purpose vehicle for institutional real estate investors, and (ii) Metrobilt, an indirect wholly-owned subsidiary of Metro Holdings Ltd, a company listed on the Mainboard of the SGX-ST.
- 5.1.3 The Series 001 Notes are intended to be “qualifying debt securities” for the purposes of the Income Tax Act, Chapter 135 of Singapore.
- 5.1.4 The Series 001 Notes are unsecured and will be constituted pursuant to a trust deed between the Fund Trustee (in its capacity as trustee of BIF and issuer of the Series 001 Notes) and Intertrust (Singapore) Ltd (as trustee for the holders of the Series 001 Notes (“Noteholders”)) (the “Notes Trust Deed”). The Fund Trustee has also entered into an agency agreement with Intertrust (Singapore) Ltd in relation to payments on, transfers of and redemption of the Series 001 Notes.
- 5.1.5 The Fund Trustee and Fund Manager have provided customary representations, warranties and undertakings in respect of BIF to the Series 001 Notes Subscribers and the Arrangers. The subscription of the Series 001 Notes is conditional on all conditions precedent under the terms of the fund subscription agreements (further details of which are set out in paragraph 5.2 below) having been fulfilled and/or waived by the relevant parties.
- 5.1.6 In connection with BP-RE’s subscription of Series 001 Notes under the Notes Subscription Agreement, BP-RE will also provide certain customary representations, warranties and undertakings to the Arrangers pursuant to an investor representation letter.
- 5.1.7 The key terms of the Series 001 Notes are as follows:

Denomination	The Series 001 Notes will be issued in registered form in minimum denominations of S\$250,000 and integral multiples of S\$1.00 in excess thereof.
Issue Price	100% of principal amount
Form of Notes	The Series 001 Notes will be issued in registered form. A note certificate will be issued to each Noteholder in respect of its registered holding of Series 001 Notes. The Notes will not be listed on any exchange.

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Maturity Date	The Series 001 Notes will be redeemed at their principal amount on 3 March 2031, and such maturity date may be extended to 3 March 2041 or such other date if agreed by the Noteholders and Fund Trustee.
Interest	The Series 001 Notes will bear interest from and including the issue date of the Series 001 Notes, at the rate of 7.0% per annum, payable quarterly in arrears in each year.
Issuer Call	The Fund Trustee may at its option redeem all or some of the Series 001 Notes if the Fund Trustee satisfies Intertrust (Singapore) Ltd (as trustee for the Noteholders) that BIF has available excess funds (whether arising out of a sale of any part of the assets of BIF, or from the operating income of BIF), or using funds raised from borrowings or capital market transactions for the purpose of such redemption.
Noteholders' Right of First Offer	Save for a transfer of any or all of a Noteholder's Series 001 Notes to (i) any entity controlled, directly or indirectly, by the Noteholder, (ii) any entity that controls, directly or indirectly, the Noteholder, or (iii) any entity directly or indirectly under common control with the Noteholder, or as otherwise set out in the Notes Trust Deed, Noteholders shall have a <i>pro rata</i> right of first offer in respect of existing Series 001 Notes to be transferred by the other Noteholders.

5.1.8 In accordance with the terms and conditions of the Series 001 Notes set out in the Notes Trust Deed, (i) the Noteholders and Fund Trustee may agree to reduce or vary the interest payable on the Series 001 Notes, and (ii) may elect to defer the payment of any interest (or to pay only part of any interest).

5.1.9 The completion of the Notes Subscription Agreement is intended to take place on 30 November 2021.

### 5.2) Proposed Units Subscription

5.2.1 Under the fund subscription agreements dated 22 October 2021 ("Fund Subscription Agreement") entered into with the Fund Manager and each of BP-RE, Metrobilt and APSG (collectively, the "Unitholders"), an aggregate of 12,600,000 new Units in BIF will be issued by the Fund Manager to the Unitholders in proportion to their existing holdings of Units, to partially fund the Proposed Acquisition. Pursuant to the Fund Subscription Agreement between the Fund Manager and BP-RE, BP-RE has agreed to subscribe for up to 3,150,000 new Units at an issue price of S\$1.00 per Unit in BIF. Upon the completion of the subscription of the 12,600,000 new Units by the Unitholders, BP-RE will hold a 25% interest in Units in BIF.

5.2.2 There is only one class of Units in BIF and each Unit represents one undivided share in BIF. No Unit shall confer on any Unitholders any interest or share in the whole or any particular part of the assets of BIF. Subject to the Units trust deed, Unitholders have a *pro rata* right of first offer in respect of existing Units to be transferred by the other Unitholders.

5.2.3 Each of the Unitholders and Fund Manager have provided customary representations, warranties and undertakings to each other. The obligations of the parties under the Fund Subscription Agreement are conditional on, among other matters, the subscription of the Series

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001 Notes by each of the Unitholders (in their capacity as the Series 001 Subscribers) in the principal amount as set out in the subscription notice for the Series 001 Notes in accordance with the terms of the Notes Subscription Agreement on or prior to the relevant closing date, and each of the Unitholders having subscribed for their portion of the Units on the closing date.

- 5.2.4 The proportion of the Units to the total number of issued Units subscribed by the Unitholders shall be the same as the proportion of the Series 001 Notes to the aggregate principal amount of Series 001 Notes outstanding subscribed by the Unitholders (in their capacity as the Series 001 Subscribers), and where any Units or Series 001 Notes are subsequently transferred, an equal proportion of the Units or Series 001 Notes, as the case may be, held by that transferor will have to be sold to the transferee as well. Accordingly, BP-RE will hold 25% of the aggregate principal amount of Series 001 Notes issued upon completion of its subscription of new Units and Series 001 Notes (collectively, the “Proposed Subscription”).
- 5.2.5 The completion of the Fund Subscription Agreement is intended to take place on 30 November 2021. It is intended that completion of the Proposed Disposal, Notes Subscription Agreement and Fund Subscription Agreement take place on the same day.

### **5.3) Consideration for Proposed Subscription**

- 5.3.1 The consideration payable by BP-RE to the Fund Trustee for the Proposed Subscription is S\$16,900,000 (the “Subscription Consideration”), being S\$13,750,000 for the subscription for the Series 001 Notes and S\$3,150,000 for the subscription of the new Units. The Subscription Consideration was arrived at on a willing-buyer, willing-seller basis, after arm’s length negotiations and taking into consideration the Purchase Price of the Property.
- 5.3.2 The Subscription Consideration for the Proposed Subscription will be satisfied by certain off-setting arrangements to be entered into by the Purchaser, the Vendor, the Company and certain subsidiaries of the Company, whereby the Subscription Consideration payable to BIF by BP-RE is deemed satisfied by offsetting part of the Purchaser’s obligation to pay the Purchase Price of the Property to the Vendor.

### **6) Rationale for Proposed Disposal and Proposed Subscription**

The Proposed Disposal and Proposed Subscription are made in the ordinary course of the Company’s real estate business as a developer-owner of industrial properties and enables the Company to tap into capital from third-party institutional and accredited investors to unlock and release capital invested into the Property. The Group will retain a portion of the cash proceeds, which would benefit the Group and shareholders of the Company (“Shareholders”) insofar as the Company is able to fund an organic expansion of the Group’s business and footprint within Asia.

Notwithstanding that the Company will have divested its interest in the Property to BIF, the Proposed Subscription in BIF will allow the Company to participate in a larger portfolio which will offer better risk diversification and lower earnings volatility and enjoy a portion of the recurring income generated by the Property. In addition, the Company would maintain its ability to provide management services to the Property held under BIF via agreements entered into with the Fund Manager and/or the relevant service provider entities within the Group. The Group is therefore expected to earn a sustainable and scalable fee income stream from its management of BIF, further benefitting the Company and its Shareholders.

### **7) Financial Effects of Proposed Disposal and Proposed Subscription**

As at 30 June 2021, the Group’s 50% interest in the book value of the Property is approximately S\$50,704,000 and the proportionate Consideration attributable to the Group is S\$60,500,000,



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representing an excess of approximately S\$9,796,000. After accounting for previously unrealised intercompany profits, associated taxes, transactions costs and the Group's investment in the Property through BIF, the net profit attributable to the Group is approximately S\$5,998,000.

Hence, the Proposed Disposal and Proposed Subscription are expected to have a positive material impact on the profitability and earnings per share of the Group in the current financial year ending 31 March 2022 ("FY2022"). However, they are not expected to have a material impact on the Group's net tangible asset value per share for FY2022.

### **8) Directors' and Controlling Shareholders' Interests**

Mr Wong Yu Wei, the Executive Deputy Chairman of the Company, was appointed as a director of the Fund Manager 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 Disposal and Proposed Subscription.

### **9) Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and Proposed Subscription or any other transactions contemplated in connection with the Proposed Disposal and Proposed Subscription.

### **10) 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 Disposal and Proposed Subscription 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 Disposal and Proposed Subscription 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*

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### About Boustead Projects Limited

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative 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 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 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](http://www.bousteadprojects.com).

### Contact Information

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