

BOUSTEAD PROJECTS PROPOSES TO FULLY DIVEST 351 ON BRADDELL TO BOUSTEAD INDUSTRIAL FUND

- ***Consideration for proposed divestment of 351 on Braddell is S\$121 million***
- ***After accounting for Boustead Projects' proportional share of proposed divestment and proposed subscription of new Units and Notes in Boustead Industrial Fund ("BIF"), expected net profit attributable to Boustead Projects from transactions are approximately S\$6 million***
- ***Post-completion of proposed divestment and proposed subscription in BIF, Boustead Projects will continue to reap benefits of properties sold to BIF, as part of BIF's long-term management, value unlocking and growth strategy***

SINGAPORE, 22 OCTOBER 2021 – SGX Mainboard-listed Boustead Projects Limited ("Boustead Projects" and together with its subsidiaries, the "BP Group"), a leading innovative eco-sustainable real estate organisation, today announced that it has through its wholly-owned subsidiary, BP-GD1 Pte Ltd, entered into a sale and purchase agreement with Perpetual (Asia) Limited (in its capacity as the trustee of Boustead Industrial Fund ("BIF")) to fully divest 351 on Braddell (the "Property") to BIF at a consideration of S\$121 million (the "Proposed Divestment"). As the Property is held under a joint venture arrangement with a wholly-owned subsidiary of The Platform-Hanwha ARESF Fund No 1, Boustead Projects' 50% proportional share of the consideration is S\$60.5 million.

Located at 351 Braddell Road, the Property is a seven-storey multi-user smart industrial development which obtained its Temporary Occupation Permit in March 2021. The Property was developed under a joint venture arrangement, while the design-and-build project was undertaken by Boustead Projects E&C Pte Ltd. The Property's land lease tenure of 30 years commenced from 26 December 2018. As at the end of September 2021, the Property had achieved a committed occupancy rate of 80%. Major tenants include NETS, Secretlab and Electrolux.

The Proposed Divestment was conducted on a willing-buyer, willing-seller basis after arm's length negotiations and takes into consideration the independent property valuation of S\$120 million as at 31 March 2021. The book value attributable to the Property is approximately S\$101,408,000 as at 30 June 2021. The BP Group's 50% interest in the book value of the Property is approximately S\$50,704,000 and the proportionate consideration attributable to the BP Group is S\$60,500,000, representing an excess of approximately S\$9,796,000. After accounting for previously unrealised intercompany profits, associated taxes, transactions costs and the BP Group's reinvestment in the Property through BIF, the net profit attributable to the BP Group is expected to be approximately S\$5,998,000.

Simultaneously, BIF has also established a S\$1 billion notes programme ("Notes Programme") and appointed United Overseas Bank Ltd and DBS Bank Ltd to act as arrangers of the Notes Programme. Under the Notes Programme, BIF may from time to time issue notes in series or tranches in Singapore dollars. The establishment of the Notes Programme will help BIF to grow on a continuing basis, as committed capital which can be called upon for future properties to be acquired by BIF.

To fund the acquisition of the Property, BIF will raise an aggregate of S\$67,600,000, comprising the issuance of S\$55,000,000 in principal amount of 7.0% notes due 2031 ("Series 001 Notes") under the Notes Programme and S\$12,600,000 in new Units in BIF. The remainder will be funded through bank loans taken by BIF.

Boustead Projects has through its wholly-owned subsidiary, BP-Real Estate Investment Pte Ltd, agreed to subscribe for S\$13,750,000 principal amount of Series 001 Notes and S\$3,150,000 in new Units issued by BIF, representing 25% of the Series 001 Notes and new Units in BIF (the "Proposed Subscription"), respectively. This maintains Boustead Projects' effective ownership of BIF at 25%, post-completion of the Proposed Divestment and Proposed Subscription.

Media Release

Mr Wong Yu Wei, Executive Deputy Chairman of Boustead Projects said, “351 on Braddell is the first property to be injected into BIF after its successful launch in March 2021. This transaction represents our ongoing strategy to grow BIF through the injection of stabilised assets and demonstrates our deep commitment as a strong Sponsor. This sale will also allow Boustead Projects to continue to develop its new fund management business capabilities, maintain disciplined capital recycling and build recurring income streams. With the inclusion of 351 on Braddell, BIF will effectively have 100% interests in 12 properties and 49% interests in 3 properties.”

The Proposed Divestment and Proposed Subscription are expected to have a positive material impact on the profitability and earnings per share of the BP Group in the current financial year ending 31 March 2022 (“FY2022”). However, the Proposed Divestment and Proposed Subscription are not expected to have a material impact on Boustead Projects’ net tangible asset value per share for FY2022.

Completion of the Proposed Divestment and Proposed Subscription is expected to take place before the end of January 2022.

Please refer to the company announcement for more details on the proposed transactions.

-- END OF MEDIA RELEASE --

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.

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