

## **PROPOSED ACQUISITION OF 49% INTEREST IN KTG INDUSTRIAL BAC NINH DEVELOPMENT JSC**

**SINGAPORE, 1 FEBRUARY 2021**

### **1) Introduction**

Boustead Projects Limited (the “Company”) – a leading provider of smart eco-sustainable business park and industrial real estate solutions – is pleased to announce that its wholly-owned subsidiary, BP-Vietnam Development Pte Ltd. (the “Purchaser”) has on 29 January 2021 entered into a sale and purchase agreement (the “SPA”) with Mr Bui Duc Manh (the “Vendor”) to acquire 8,575,000 issued ordinary shares (the “Sale Shares”) in KTG Industrial Bac Ninh Development Joint Stock Company (the “Target”), representing 49.0% of the issued and paid-up share capital of the Target (the “Proposed Acquisition”). The Target is the sole owner and developer of two (2) land lots located within the Yen Phong Industrial Zone in Bac Ninh, Vietnam (collectively the “Target Properties”).

### **2) Information on Target**

The Target is a joint stock company established under the laws of Vietnam on 7 September 2018. As at the date of the SPA, the Target has a charter capital of Vietnamese Dong (“VND”) 175,000,000,000 divided into 17,500,000 fully paid ordinary shares of VND10,000 par value each.

The principal business of the Target is the ownership and development of the Target Properties.

As at the date of the SPA, the Vendor holds 49.0% of the issued share capital in the Target, and Khai Toan Joint Stock Company (“KTG”) and its nominee collectively hold the remaining 51.0%. KTG is a leading conglomerate in electrical appliances, building materials and industrial real estate in Vietnam.

Based on the unaudited financial statements of the Target for the period ended 30 September 2020, the net asset value (“NAV”) of the Target was approximately VND177.4 billion (approximately US\$7.6 million).

### **3) Information on Target Properties**

The Target Properties are located within the Yen Phong Industrial Zone in Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam. The Target Properties are well connected to civil infrastructure and enjoy good connectivity to the Nội Bài International Airport and major ports in Hanoi.

The Properties comprise:

- i) A land lot in respect of which the Target has been granted a lease of approximately 47 years and 11 months from 4 December 2018 (“Land Lot 1”). Land Lot 1 comprises approximately 36,000 square metres (“sqm”) in land area and an aggregate net leasable area (“NLA”) of over 21,000 sqm across six ready-built factories – all of which are 100%-leased.
- ii) A land lot in respect of which the Target has been granted a lease of approximately 47 years and 4 months from 15 July 2019 (“Land Lot 2”). Land Lot 2 comprises

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approximately 60,000 sqm in land area and an aggregate NLA of approximately 37,000 sqm across ten ready-built factories – all of which are 100%-leased.

### 4) **Rationale for Proposed Acquisition**

The Proposed Acquisition is made in the ordinary course of the Company's real estate business as a developer-owner of industrial properties and is in line with the Company's existing strategies of growing its income-yielding leasehold portfolio and expanding regionally. The Proposed Acquisition is also expected to extend the Company's presence in the key market of Vietnam, as the Target Properties are located in the north of Vietnam, whereas the Company's current properties (i.e. Boustead Industrial Park) are located within the Dong Nai Province, neighbouring Ho Chi Minh City in the south of Vietnam.

### 5) **Material Terms of Proposed Acquisition**

#### a) **Consideration**

The purchase price ("Purchase Price") for the Sale Shares shall be 49% of the adjusted NAV of the Target to be computed in accordance with the provisions of the SPA ("Adjusted NAV"). Broadly, the Adjusted NAV will be computed as the NAV of the Target as at the date of Completion ("Completion Date"), mainly adjusted for the independently assessed market valuations of the Target Properties. The Purchase Price is initially assessed to be approximately VND158.8 billion (equivalent to US\$6.8 million).

The Consideration was arrived at following arm's length, commercial negotiations between the Vendor and the Purchaser on a willing-buyer, willing-seller basis. The Company will finance the Proposed Acquisition using its existing cash resources.

#### b) **Payment**

Under the SPA, the Purchase Price will be paid across three tranches as follows:

- i) The Purchaser will pay to the Vendor a deposit of approximately US\$1.4 million, equivalent to 20% of the Purchase Price upon the execution of the SPA.
- ii) Upon completion, the Purchaser will pay to the Vendor an amount of approximately US\$3.5 million.
- iii) A further sum of approximately US\$2.0 million will, subject to the fulfilment of certain conditions, be paid by the Purchaser to the Vendor in accordance with the terms of the SPA.

The final Purchase Price shall be subject to post-completion adjustments in accordance with the terms of the SPA.

#### c) **Completion**

Completion is subject to the fulfilment of the conditions precedent specified in the SPA, including the completion of certain rectification works, obtaining the relevant regulatory approval, as well as completing certain relevant regulatory procedures required for the Proposed Acquisition.

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The SPA provides for Completion to take place three (3) business days after fulfilment or waiver of the last of the conditions precedent (or such other date as the Vendor and the Purchaser may agree).

It is also envisioned that the Target and Boustead & KTG Industrial Management Company Limited ("BKIM") will enter into an asset management agreement and property management agreement in respect of the Target Properties. BKIM is a 50%-50% joint venture company between KTG and Echo Base-BP Capital (Vietnam) Pte Ltd, a wholly-owned subsidiary of the Company's 50%-owned joint venture company Echo Base-BP Capital Pte Ltd. The entry into these agreements with BKIM is expected to enable the Company to generate additional income from the provision of asset management and property management services in respect of the Target Properties.

### **6) Financial Effects**

The Proposed Acquisition is not expected to have a material effect on the earnings per share or net tangible assets per share of the Company for the current financial year ending 31 March 2021.

### **7) Interest of Directors and Controlling Shareholders**

None of the directors of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company.

-- END OF COMPANY ANNOUNCEMENT --

By Order of the Board

Tay Chee Wah  
*Company Secretary*

## About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments under the BCA's Green Mark Programme and also the quality leader on the BCA's CONQUAS all-time top 100 industrial projects list.

In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 16 Safety & Health Award Recognition for Projects (SHARP) to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017. We are one of only 95 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 have maintained 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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