

12 July 2021

Dear Fellow Shareholder,

Re: Extraordinary General Meeting in Connection with Proposed One-Off Ex-Gratia Award of Shares to Directors by Way of Transfer

Apart from the Notice of Annual General Meeting (“AGM”) issued on 6 July 2021, we would like to inform you of our upcoming virtual Extraordinary General Meeting (“EGM”), which is to be held on the same day as our virtual AGM scheduled for 28 July 2021. The EGM is proposed to commence at 11.30am (or as soon after the conclusion or adjournment of our virtual AGM to be held at 10.30am). The Notice of EGM sets out the resolutions to be tabled and the procedures for participation by shareholders in the EGM. There will only be electronic versions of the Notice of EGM, EGM Circular to Shareholders and EGM Proxy Form (the “EGM Documents”), which can be downloaded from the SGX at www.sgx.com/securities/company-announcements or from our corporate website at www.bousteadprojects.com/investor-centre. For the full definitions used in this letter, please refer to the EGM Documents.

The Board is proposing this EGM to seek the approval of shareholders for the proposed one-off ex-gratia award of an aggregate 2,400,000 Award Treasury Shares to the Directors, by way of transfer (“Proposed Transfers”) and at the Proposed Transfer Price of S\$0.806 per Award Treasury Share.

The breakdown of Proposed Transfers is as follows:

Director	No of Award Treasury Shares	Proposed Transfer Price Payable
Mr John Lim Kok Min	100,000	S\$80,600
Mr Wong Yu Wei (Huang Youwei)	1,000,000	S\$806,000
Mr Chu Kok Hong @ Choo Kok Hong	1,000,000	S\$806,000
Mr Tam Chee Chong	100,000	S\$80,600
Mr Chong Lit Cheong	100,000	S\$80,600
Professor Yong Kwet Yew	100,000	S\$80,600
Total	2,400,000	S\$1,934,400

The Proposed Transfers which comprise an aggregate of 2,400,000 Award Treasury Shares constitute approximately 0.77% of the total number of 311,178,731 issued Shares (excluding the 8,821,269 treasury shares held by the Company) as at the Latest Practicable Date i.e. 18 June 2021.

The Proposed Transfer Price represents a discount of approximately 39.06% to the volume weighted average price (“VWAP”) (the “Discount”). The VWAP of the Shares for trades done on the SGX-ST for the full Market Day on 9 July 2021, being the date on which the Award Letters were issued and accepted by the Directors, was S\$1.3226. The Discount is intended to enable the Directors to potentially benefit from the upside to the market price of the Shares. At the same time, the awards are subject to moratorium and whether or not the Directors will actually benefit from the Award Treasury Shares will depend on the market price of the Shares upon expiry of the moratorium. Unlike a situation where Shares are granted at no cost to recipients under the Restricted Share Plan, the Directors will have to pay the Proposed Transfer Price to effect their proportionate share of the Proposed Transfer of Award Treasury Shares but will still be subject to a moratorium that results in a retention period similar to that under the Restricted Share Plan. This will ensure that Directors longer term interests are aligned with that of Shareholders.

These one-off ex-gratia payments by the way of Proposed Transfers, are in recognition of the strategic leadership, effort and time spent by the Board in FY2021, in unlocking and creating an unprecedented level of value for Shareholders despite the challenging conditions imposed by the COVID-19 pandemic.

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As part of the value created under the Board's leadership in FY2021, the Company announced the establishment of Boustead Industrial Fund ("BIF"), our maiden full-fledged private real estate trust ("Boustead Industrial Fund"), divestments of 11 industrial properties and 49% interests in three special purpose vehicles (each holding an industrial property) in Singapore ("Divestment") and subscription of units and 7.0% notes due 2031 issued by BIF (collectively "Transactions"). In total, BIF's value-unlocking transaction one-off gain amounted to S\$138.4 million ("BIF Value Unlocking Gain").

The Board, and in particular the Executive Directors, have been directly responsible for and put in significantly greater effort and time to bring about these achievements. They have played an instrumental role in conceptualising, implementing and completing the Transactions which enabled the Company to unlock value through the Divestment, raise gross proceeds of S\$328.4 million and recycle capital towards other strategic plans, as well as positioning the Boustead Projects Group for future growth and development by transforming the real estate business from a developer-owner model to one focused on development and management, where stabilised assets in the future can be injected into BIF or other similar real estate platforms sponsored and managed by the Boustead Projects Group.

The Company also achieved a record total profit of S\$131.6 million in FY2021, mainly supported by the BIF Value Unlocking Gain. A record dividend reward has been proposed for Shareholders, with a final dividend of 0.9 cents per share and a special dividend of 14.5 cents per share for FY2021, which will be subject to the approval of Shareholders at the upcoming AGM.

All Directors will abstain from voting on the respective resolutions pertaining to their own award. In addition, as Mr Wong Yu Wei is the son of Mr Wong Fong Fui, who is the Controlling Shareholder and therefore an Interested Person of the Company, Mr Wong Fong Fui and each of his Associates (including Mr Wong Yu Wei) shall abstain, and have also undertaken to ensure that their respective Associates shall abstain, from voting in respect of Resolution 2 (in relation to Mr Wong Yu Wei's award) to be proposed at the EGM.

We would be most appreciative to receive your support in recognising the efforts of your Directors.

For your ease of access to the pre-registration website for the virtual AGM and EGM (same link) and EGM documents, you may wish to use the QR codes as follow:

Link for AGM and EGM Pre-Registration:



Link to EGM Documents:



We look forward to meeting you at the upcoming virtual AGM and EGM. In the meantime, may you and your loved ones stay well, healthy and safe.

Yours sincerely,

On behalf of
Boustead Projects Limited

John Lim Kok Min
Chairman

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