PROPOSED ACQUISITION OF MINH QUANG INDUSTRIAL DEVELOPMENT JSC BY KTG & BOUSTEAD INDUSTRIAL LOGISTICS JSC

SINGAPORE, 12 DECEMBER 2023

1) Introduction

Boustead Projects Limited ("Boustead Projects") – a leading provider of innovative eco-sustainable real estate solutions – is pleased to announce that its joint venture KTG & Boustead Industrial Logistics Joint Stock Company ("KBIL" or the "Purchaser") has on 12 December 2023 entered into a sale and purchase agreement ("Agreement") to purchase all of the issued and paid-up shares of Minh Quang Industrial Development Joint Stock Company ("Minh Quang"), comprising 3,300,000 ordinary shares ("Sale Shares" and the proposed acquisition of the Sale Shares be known as the "Proposed Acquisition").

2) Information on KBIL

KBIL, which, through various special purpose vehicles, owns a portfolio of logistics and industrial properties in Vietnam, is Boustead Projects' strategic collaboration with Khai Toan Joint Stock Company ("KTG"). Since the launch of KBIL, Boustead Projects has injected Boustead Industrial Park into KBIL, while KTG has injected several of their properties. As at 31 March 2023, KBIL had interests in eight completed properties with a total market valuation of S$175 million (assumes 100% interest in properties), comprising over 260,000 square metres in gross floor area, an overall committed occupancy rate of 76% and weighted average lease expiry greater than two years. KBIL also has two more properties under development or on plan.

3) Rationale for the Proposed Acquisition

Minh Quang has previously signed an in-principle land lease agreement ("In-principle Agreement") with a master developer in relation to a land lot with an area of approximately 136,450 square metres, situated at Yen Phong District, Bac Ninh Province, Vietnam ("Land"). The Land is expected to be handed over by the master developer to Minh Quang from the second half of 2024 onwards, with phased construction able to commence thereafter. The Land has a land tenure of about 45 years to 2069.

It is the Purchaser's intention, through the acquisition of Minh Quang, to develop the Land into industrial facilities for lease, adding to the portfolio of KBIL.

Vietnam continues to stand out as one of the world's fastest growing economies, with a proven track record in offering multinational corporations the ideal business environment for investment, manufacturing operations and logistics networks. Given its strategic location and long-term growth factors, Boustead Projects is of the view that the injection of the Land into KBIL aligns with its prudent expansion strategy and will strengthen its presence in the key market of Vietnam.

4) Material Terms of Agreement

a) Consideration

The consideration for the purchase of Sale Shares shall be VND261,850,435,728 (equivalent to US$10.7 million[1]) ("Purchase Consideration") which is based on the agreed property value of the Land (being VND527,116,131,900 (equivalent to US$21.6 million [2]) and such other adjustments as maybe agreed between the Purchaser and the vendors. A valuation on the Land was conducted by an independent valuer, Savills Viet Nam Ltd., Co. ("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 Land is approximately VND516.4 billion (approximately US$21.8 million[3]) as at 13 October 2023. The method used by the independent valuer is direct comparison approach.

The Purchase Consideration shall be funded by KBIL by way of issuance of equity to Boustead Projects and KTG in the proportion of their respective shareholding ratio in KBIL. Boustead Projects, via its wholly-owned subsidiary BP-Vietnam Development Pte Ltd, has agreed to subscribe for such number of shares at the aggregate subscription price of VND128,306,718,540 (equivalent to US$5.2 million [4]), representing 49% of the Purchase Consideration.

b) Closing Conditions

The parties to the Agreement shall use their best endeavours to satisfy the closing conditions as soon as practicable upon the signing of this Agreement, including the following:

i) the passing of the corporate approvals of the Purchaser approving the acquisition of the Sale Shares from the vendors on the terms and subject to the conditions set out in the Agreement; and

ii) (where applicable) all necessary governmental authority, regulatory and other approvals and/or consents (including but not limited to the approval and/or consent of the master developer) which may be required in connection with the Agreement and the transactions contemplated therein having been obtained and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Purchaser and, to the extent that such conditions are required to be fulfilled on or before a certain date, they are so fulfilled.

The closing conditions are expected to be fulfilled no later than 15 December 2023 and the completion of the Agreement shall take place one (1) business day after the date on which all closing conditions having been fulfilled or waived (as the case may be).

c) Vendors' Post-Closing Obligations

The vendors shall, after the closing date, and on or before the milestone dates set out in the Agreement procure, inter alia, the following:

[1] An exchange rate of USD 1 to VND24,450 has been applied for the purpose of this Announcement, which will be adjusted based on the prevailing exchange rate as at the date of transaction.
[2] An exchange rate of USD 1 to VND24,450 has been applied for the purpose of this Announcement, which will be adjusted based on the prevailing exchange rate as at the date of transaction.
[3] Based on exchange rate of USD 1 to VND23,690 adopted under the Valuation Report.
[4] An exchange rate of USD 1 to VND24,450 has been applied for the purpose of this Announcement, which will be adjusted based on the prevailing exchange rate as at the date of transaction.

i) To procure the agreement of the master developer on the payment schedule for the balance Land price under the In-principle Agreement;

ii) To procure the handover of the Land by the master developer, in such condition as may be set out under the Agreement, and the execution of the land lease agreement in respect of the Land between the master developer and Minh Quang;

iii) To procure an investment registration certificate (or a waiver thereof) on the implementation of Minh Quang's project on the Land;

iv) The waiver of certain administrative fee and/or interest under the In-principle Agreement,

(collectively, "Post-Completion Obligations").

In the event the vendors fail to fulfill any of the Post-Completion Obligations, the Purchaser shall be entitled to demand for a full refund of the Purchase Price, together with any monies which the Purchaser may have injected into Minh Quang post-completion, and, following the receipt of such monies from the vendors (or its nominees), the Purchaser shall transfer the Sale Shares to the vendors at the vendors' costs and expenses.

5) 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 Boustead Projects Group for the current financial year ending 31 March 2024.

6) Interest of Directors and Controlling Shareholders

None of the directors of Boustead Projects has any interest, direct or indirect, in the proposed acquisition, other than through their respective shareholding interests in Boustead Projects.

-- 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 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

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