

BOUSTEAD REAL ESTATE DIVISION RECEIVES SHAREHOLDER APPROVAL FOR TRANSFORMATIONAL BOUSTEAD INDUSTRIAL FUND

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in Boustead Projects Limited's circular to shareholders relating to the establishment of Boustead Industrial Fund dated 5 February 2021 including (i) the Proposed Transactions (comprising the Proposed Subscription and the Proposed Divestment) and (ii) the assignment of the BP-SF Transferred Loan to the Company pursuant to the Relevant Loan Transaction.

- ***Boustead Projects Limited's shareholders unanimously approve and pass Proposed Transactions for Boustead Industrial Fund, paving way to unlock value of leasehold portfolio, recycle capital and complete setup of new real estate fund management services platform in form of scalable private business trust***
- ***Boustead Industrial Fund will focus on business park, industrial and logistics properties, with Boustead Projects sponsoring first 14 quality properties with total market valuation of S\$511.3 million at envisaged total consideration of S\$519.9 million***
- ***Boustead Projects Limited's share of sales consideration for transferred interest is S\$332.2 million, resulting in expected gain on disposal of S\$136.1 million after reinvestment in Boustead Industrial Fund***

SINGAPORE, 25 FEBRUARY 2021

Boustead Singapore Limited ("Boustead") – a progressive global infrastructure-related engineering and technology group – is pleased to announce that its Real Estate Division under 53%-owned SGX Mainboard-listed Boustead Projects Limited ("Boustead Projects") held an Extraordinary General Meeting ("EGM") today, with Boustead Projects' shareholders unanimously approving and passing the tabled resolutions, paving the way for Boustead Projects to proceed with unlocking the value of its leasehold portfolio through its establishment of Boustead Industrial Fund ("BIF"). BIF sets the stage for Boustead Projects to build upon a transformational business model and integrated real estate platform uniting all parts of the business park and industrial real estate value chain – from value-added capabilities in real estate engineering & construction, development and asset management services to fund management services.

BIF represents a scalable private business trust established by Boustead Projects as the sponsor and fund manager (the "Fund Manager"), with a focus on business park, industrial and logistics properties. The first 14 properties to be acquired by BIF have been seeded by Boustead Projects and its joint venture partners, through the sale of full and/or partial interests in 10 of Boustead Projects' wholly-owned properties and four of Boustead Projects' jointly-owned properties to BIF, with a total market valuation of S\$511.3 million for an envisaged total consideration of S\$519.9 million (assuming BIF had acquired 100% interest in all 14 properties), of which Boustead Projects' share of the sales consideration for its transferred interest is S\$332.2 million.

Boustead Projects will also be a Unitholder and Noteholder in BIF, initially subscribing for an expected 25% holding of the Units and Notes within BIF. Boustead Projects has successfully brought in new investors – AP SG 21 Pte Ltd, a special purpose vehicle for institutional real estate investors, and Metrobilt Construction Pte Ltd, an indirect wholly-owned subsidiary of SGX-listed Metro Holdings Ltd – to initially subscribe for 49% and 26% respectively of the Units and Notes in BIF. Subject to its investment mandate, BIF possesses the capabilities to acquire Boustead Projects' pipeline of current and future developments, along with third-party properties from the open market and may also invest into development projects subject to certain thresholds, providing BIF with several potential avenues of growth and wide-ranging flexibility to execute strategic plans.

As the Fund Manager of BIF, Boustead Projects' wholly-owned subsidiary, Boustead Industrial Fund Management Pte Ltd will manage the portfolio of properties under BIF and will earn a similar set of fees

Company Announcement

as that typically earned by listed REIT managers such as base, performance, acquisition, divestment and development fees. Boustead Projects' other wholly-owned subsidiaries may also earn fees for other types of services provided including property management services. As BIF grows, Boustead Projects' fund management business is expected to steadily grow and become a more meaningful part of the real estate business.

Of the expected S\$328.4 million in gross proceeds to be received by Boustead Projects for its share of the transferred interest into BIF, Boustead Projects intends to:

- Discharge about S\$98.0 million in bank loans and existing encumbrances on the transferred properties, essentially extinguishing almost all of the borrowings on Boustead Projects' balance sheet, which will have a similar effect of extinguishing almost all of the borrowings on the Boustead Group's balance sheet;
- Spend about S\$72.7 million to initially subscribe for 25% of Units and Notes in BIF; and
- Spend about S\$20.5 million for other agreed costs including professional, legal, rectification and other potential top-ups, along with associated taxes.

The balance of about S\$137.2 million will be made available for the pursuit of Boustead Projects' growth strategies and expansion of Boustead Projects' businesses in Singapore and overseas, along with the potential declaration of a special dividend. Boustead Projects intends to accelerate its international expansion more rapidly, especially in Vietnam, where it recently signed agreements to jointly invest in Boustead & KTG Industrial Management Co, Ltd, a manager of industrial properties; and KTG Industrial Bac Ninh Development Joint Stock Company ("KTG Industrial Bac Ninh"), which holds 16 ready-built factories that are 100%-leased.

Once the Proposed Transactions of BIF are completed, Boustead Projects will still partially own three BIF leasehold properties (where only 49% of the total shareholding interest has been transferred to BIF) and another 11 wholly-owned and jointly-owned leasehold properties in Singapore and overseas (excluding KTG Industrial Bac Ninh's properties as the deal has not been completed), with a total market valuation in excess of S\$700 million inclusive of joint venture partners' shareholding interests.

For the full details of BIF, please refer to Boustead Projects' circular to its shareholders dated 5 February 2021, Boustead Projects' announcement dated 9 February 2021 titled 'Frequently Asked Questions about Boustead Industrial Fund', Boustead Projects' announcement dated 24 February 2021 titled 'Boustead Projects Extraordinary General Meeting Advance Questions and Responses' and Boustead Projects' disclosures in its management's presentation slides for Boustead Projects' EGM held today.

Upon completion of the Proposed Transactions for BIF, Boustead Projects' expected gain on disposal of S\$136.1 million will have a positive material impact on the profitability, earnings per share and net tangible assets per share of the Boustead Group for the financial year ending 31 March 2021 (assuming the Proposed Transactions for BIF are completed by 31 March 2021).

-- END OF COMPANY ANNOUNCEMENT --

By Order of the Board

Alvin Kok
Company Secretary

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world’s leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world’s most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 89 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). In 2020, we were ranked among Singapore’s Best Employers, at 38th overall and 2nd under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,800 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

Visit us at www.boustead.sg.

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