RESPONSE TO SGX QUERIES REGARDING VOLUNTARY UNCONDITIONAL CASH OFFER FOR THE COMPANY

SINGAPORE, 15 MARCH 2023

The Board of Directors of Boustead Projects Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 14 March 2023 regarding the voluntary unconditional cash offer for the Company, and sets out below its responses to the queries from the SGX-ST as follows:

Question 1:
The offeree circular to shareholders dated 13 March 2023 disclosed that Mr. Wong Fong Fui ("Mr. Wong"), the Offeror's Chairman and Group Chief Executive Officer, is a party acting in concert with the Offeror and hence, the Offer does not extend to the shares that he controls through nominees. Mr. Wong is also a controlling shareholder of the Company with shares held through the Offeror and another 19.28% which is not held through the Offeror. It was also disclosed that Offeror will not be able to avail itself of the powers of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer.

In view of the foregoing, please disclose the following:

(a) As the Offeror is unable to avail itself to the rights of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer, please elaborate clearly what will happen to the shares held by public shareholders in the event that the shareholding interest of the Offeror and its concert parties exceeds 90%; and

Response to Question 1 (a)

Unless otherwise defined, all capitalised terms used herein shall have the meaning ascribed to it in the offeree circular dated 13 March 2023 issued by the Company in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (the "Offeree Circular").

As set out in paragraph 8.5 of the IFA Letter (as extracted in Section 6 of the Offeree Circular and attached as Appendix I to the Offeree Circular), Shareholders who do not accept the Offer will hold Shares in the Company which may be suspended from trading on the SGX-ST. There may not be a public market for the Shares in the Company following the close of the Offer.

(b) What actions will the Board take to put the Company back into compliance with Listing Rule 723 which requires a free float of 10%. In this respect, we note that the Company will be unable to delist as the Offer does not comply with Listing Rule 1309(1)(a) and the Board has undertaken to comply with Listing Rule 720(1) read with Appendix 7.7.

Response to Question 1 (b)

The Offeror had stated in the Offer Document that its intention is to privatise the Company and delist the Company from the SGX-ST, should the option be available to the Offeror, and has no intention to undertake or support any action for any trading suspension by the SGX-ST to be lifted. The Offeror also reserved the right to seek a voluntary delisting of the Company from the SGX-ST, pursuant to Rules 1307 and 1309 of the Listing Manual.

The Company had no control over the Offer Price in connection with the Offer, nor the opinion of the IFA in respect of whether the Offer is fair and reasonable. As the IFA has opined that the Offer is not fair but reasonable, the Company notes that the conditions under Rule 1309 of the Listing Manual cannot be fulfilled. In the event that the Offeror and its concert parties hold more than 90% of the Shares in the Company pursuant to the Offer, the resultant loss of the free float does not result from any actions of the Company or the Board, and is outside the control of the Company and the Board. There are limited options available to the Board; namely, to request the Offeror to sell down its Shares, or for the Company to issue new Shares to public shareholders. However, the Offeror has already stated its intention to privatise the Company and delist the Company from the SGX-ST, should the option be available to the Offeror. Any proposal which involves the sell-down of the Offeror's shareholding in the Company in order to increase the free float would be contrary to the Offeror's stated intentions. Any proposal involving the issue of new Shares will require the Offeror to vote in favour of the relevant resolutions, and this is not within the control of the Company or the Board. It also requires the Company to find investors who are prepared to subscribe for new Shares in the Company, in circumstances where it is clear that the Offeror intends to privatise the Company.

The Company notes its undertaking to comply with Listing Rule 720(1) read with Appendix 7.7. However, the Company has no control over the actions of the Shareholders. Shareholders are free to accept or reject the Offer after considering the recommendations of the Independent Directors as set out in the Offeree Circular. Apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company. Accordingly, the Company is unable to provide an alternative to Shareholders who do not accept the Offer despite the clear recommendations of the Independent Directors set out in the Offeree Circular.

Question 2:
As set out in the Exchange's Regulator's Column of 11 July 2019, companies seeking a voluntary delisting must (i) obtain approval of at least 75% of the total number of shares held by independent shareholders (excluding the shares held by the Offeror and parties acting in concert with it); and (ii) provide a fair and reasonable exit offer to shareholders and the independent financial adviser appointed to advise on the exit offer must opine that the exit offer is fair and reasonable.

In order to comply with the Listing Rule requirements, please disclose what is the Company's plan in seeking a voluntary delisting or resumption of trading, noting that the IFA opinion's does not comply with Listing Rule 1309(2) as the IFA is of the view that the Offer is not fair but reasonable.

Response to Question 2

The Company has no control over the Offer, the Offer Price or the opinion of the IFA. The Offer is made to the Shareholders. The Offeror's intentions are clearly stated, namely to privatise the Company and delist the Company from the SGX-ST, should the option be available to the Offeror. The opinion of the IFA is independent and the Company is no position whatsoever to fulfil the condition in Rule 1309 of the Listing Manual that the Offer must be fair and reasonable. No actions on the part of the Company or the Board has been, or will be, taken to result in a situation of a loss of the free float. The Offer will close on 27 March 2023, and the Company will update Shareholders on the number of Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties on the close of the Offer, as notified by the Offeror.

-- 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 55%-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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