

## **THE ESTABLISHMENT OF BOUSTEAD INDUSTRIAL FUND AND THE PROPOSED TRANSACTIONS (COMPRISING THE PROPOSED SUBSCRIPTION AND THE PROPOSED DIVESTMENT)**

**SINGAPORE, 31 DECEMBER 2020**

### **1) Introduction**

Boustead Projects Limited (the “**Company**”) wishes to announce that it has established a private trust (“**Boustead Industrial Fund**”) in Singapore with an investment mandate to invest in, administer and manage certain investments in logistics, business parks and industrial properties. The fund manager of Boustead Industrial Fund is the Company’s wholly-owned subsidiary, Boustead Industrial Fund Management Pte. Ltd. (the “**Fund Manager**”), the trustee of Boustead Industrial Fund is Perpetual (Asia) Limited (the “**Fund Trustee**”) and the sponsor of Boustead Industrial Fund is the Company (the “**Sponsor**”). Upon constitution of Boustead Industrial Fund, one Unit was issued to the Company at an issue price of S\$1.00.

In connection with the establishment of Boustead Industrial Fund, the Company proposes to undertake the Proposed Subscription (as defined herein) and the Proposed Divestment (as defined herein) (collectively, the “**Proposed Transactions**”).

The Directors will be convening an extraordinary general meeting (the “**EGM**”) to be announced and held in due course to seek Shareholders’ approval for, among others, the Proposed Transactions and a circular (the “**Circular**”) containing further details on the Proposed Transactions will be issued to Shareholders prior to the EGM.

### **2) Establishment of Boustead Industrial Fund**

Boustead Industrial Fund is a private business trust established with the investment objective to invest in, administer and manage certain investments in logistics, business parks and industrial properties (“**Industrial Properties**”), to achieve a stable flow of recurring income and capital growth for its unitholders. Any offer of securities of Boustead Industrial Fund in any jurisdiction shall be made to restricted classes of institutional and sophisticated investors, in compliance with all applicable laws and regulations, which will not result in any registration, filing or reporting requirement on Boustead Industrial Fund, the Fund Manager or the Fund Trustee (the “**Fund Investors**”). As Boustead Industrial Fund is a private trust, securities in the trust will not be available to subscription by the public, including the Shareholders.

In connection with the establishment of Boustead Industrial Fund, the Company, as Sponsor, has granted a right of first refusal to Boustead Industrial Fund (the “**Sponsor ROFR**”) in respect of (i) the disposal of any interest in Industrial Properties which satisfy the investment criteria of Boustead Industrial Fund (the “**Relevant Asset**”) owned or managed by the Sponsor or any of its existing or future subsidiaries (whether a corporation, partnership, trust or entity in which the Sponsor holds any direct or indirect interest) but not any corporation, partnership, trust or entity listed on any stock exchange which becomes a subsidiary of the Sponsor after the date of the Sponsor ROFR, or any existing or future private funds managed by the Sponsor or its existing subsidiaries (a “**Relevant Entity**”), or (ii) the acquisition of any interest in any Relevant Asset which is not owned by any Relevant Entity, subject to certain terms and conditions.

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### 3) Proposed Subscription

- 3.1) In connection with the establishment of Boustead Industrial Fund, the Company has entered into subscription agreements for the Company or its nominee to subscribe for (i) new Units in Boustead Industrial Fund such that the Company or its nominee will hold an initial 25.0%<sup>1</sup> interest in Units in Boustead Industrial Fund, and (ii) up to S\$59,000,000 in aggregate principal amount of 7.0 per cent. Notes due 2031 issued by Perpetual (Asia) Limited (in its capacity as trustee of Boustead Industrial Fund), representing 25.0%<sup>2</sup> of the aggregate principal amount of Notes issued (collectively, the “**Proposed Initial Subscription**”). In addition, after the assignment prohibition period<sup>3</sup> in respect of Continental Building P3 (as defined below) expires (the “**BP-CA3 Assignment Prohibition Period**”), Boustead Industrial Fund will be required to acquire the remaining 51.0% partnership interests in BP-CA3 (as defined below) or the Industrial Property held thereunder (the “**BP-CA3 Subsequent Acquisition**”). In connection with the BP-CA3 Subsequent Acquisition, it is also agreed that the Company or its nominee shall subscribe for additional Units and Notes, to fund 51.0% of the purchase price for the BP-CA3 Subsequent Acquisition after expiry of the BP-CA3 Assignment Prohibition Period, which is expected to be approximately four years after the Proposed Initial Subscription (the “**Proposed BP-CA3 Subscription**”, and together with the Proposed Initial Subscription, the “**Proposed Subscription**”).

In addition to the Company or its nominee, the initial Fund Investors are (i) AP SG 21 Pte. Ltd. (“**APSG**”), a special purpose vehicle for institutional real estate investors, and (ii) Metrobilt Construction Pte Ltd (“**Metrobilt**”), an indirect wholly-owned subsidiary of Metro Holdings Limited, a company listed on the Main Board of the SGX ST (together, the “**Initial Fund Investors**”).

The Proposed Subscription is subject to the receipt of Shareholders’ approval for the resolution to be proposed at the EGM.

### 3.2) **Key Terms of the Subscription Agreements**

#### Fund Subscription Agreements

Each Fund Investor, including the Company, has entered into a separate fund subscription agreement with the Fund Manager dated 31 December 2020 (the “**Fund Subscription Agreement**”). In respect of the Fund Subscription Agreement entered into between the Company and the Fund Manager, it is agreed that the Company or its nominee, shall subscribe for up to 23,294,999 Units (inclusive of the Proposed BP-CA3 Subscription) in Boustead Industrial Fund at an issue price of S\$1.00 per Unit. For the avoidance of doubt, the Company’s initial 25.0% interest in the Units of Boustead Industrial Fund excludes the Units to be subscribed pursuant to the Proposed BP-CA3 Subscription.

The Company and the Fund Manager have provided customary representations, warranties and undertakings to each other. The obligations of the parties under the Fund Subscription Agreements are conditional on, among other matters, Shareholders’ approval at the EGM having been obtained and not being revoked or amended and being in full force and effect on the first closing date in respect of the subscription of the Units. In the event Metrobilt fails to subscribe for its entire 26.0% interest in Units of Boustead Industrial Fund, the Company has undertaken to subscribe, either by itself or through its nominee, for the 26.0% interest in Units

<sup>1</sup> The Company may subscribe for additional Units representing an additional 26.0% interest in Boustead Industrial Fund. In such event, the Company’s holdings in Units in Boustead Industrial Fund will increase to 51.0%. See paragraph 3.2 for further details.

<sup>2</sup> The Company may subscribe for additional Notes representing an additional 26.0% of the aggregate principal amount of the Notes. In such event, the Company’s holdings in the Notes issued by the Fund Trustee will increase to 51.0%. See paragraph 3.2 for further details.

<sup>3</sup> Under the terms of the lease granted by JTC Corporation in respect of Continental Building P3, BP-CA is prohibited from transferring a controlling interest in BP-CA3, the entity which holds Continental Building P3, for a specified period which is due to expire approximately four years after the Proposed Initial Subscription.

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of Boustead Industrial Fund not taken up by Metrobilt, subject to certain conditions. Accordingly, in such event, the Company's or its nominee's holdings in Units of Boustead Industrial Fund will increase to 51.0%.

### Notes Subscription Agreement

The Company has also entered into a notes subscription agreement dated 31 December 2020 (the "**Notes Subscription Agreement**", and together with the Fund Subscription Agreement entered into by the Company, the "**Subscription Agreements**") with the Fund Trustee, the Fund Manager, United Overseas Bank Limited (as lead manager in respect of the issue of the Notes) (the "**Lead Manager**") and the Initial Fund Investors. Under the Notes Subscription Agreement, the Fund Trustee has agreed to issue up to S\$236,000,000 in aggregate principal amount of 7.0 per cent. Notes due 2031 (the "**Notes**"). The Notes will be constituted pursuant to a trust deed between the Fund Trustee (in its capacity as trustee of Boustead Industrial Fund and issuer of the Notes) and Intertrust (Singapore) Ltd. (as trustee for the Noteholders) (the "**Notes Trust Deed**"). The Fund Trustee has also entered into an agency agreement with Intertrust (Singapore) Ltd. in respect of payments on and transfers of the Notes.

Pursuant to the Notes Subscription Agreement, it is agreed that the Company or its nominee, shall subscribe for up to S\$59,000,000 in principal amount of the Notes, representing 25.0% of the aggregate principal amount of the Notes. In the event Metrobilt fails to subscribe for its entire 26.0% interest in Boustead Industrial Fund, the Company has undertaken to subscribe, either by itself or through its nominee, for the 26.0% interest in Notes not taken up by Metrobilt at the issue price, for an aggregate amount of up to S\$61,360,000. Accordingly, in such event, the Company's or its nominee's holdings in the Notes issued by the Fund Trustee will increase to 51.0%.

The Fund Trustee and the Fund Manager have provided customary representations, warranties and undertakings in respect of Boustead Industrial Fund and the Initial Industrial Properties (as defined below) to the Fund Investors and the Lead Manager. The subscription of the Notes is conditional on, among other matters, Shareholders' approval at the EGM having been obtained and not being revoked or amended and being in full force and effect on the closing date in respect of the subscription of the Notes and all conditions precedent under the terms of the Acquisition Agreements (as defined below) and the Fund Subscription Agreement having been fulfilled and/or waived by the relevant parties.

In connection with the Company's or its nominee's subscription for Notes under the Notes Subscription Agreement, the Company has also provided certain customary representations, warranties and undertakings to the Lead Manager pursuant to an investor representation letter.

The key terms of the Notes are as follows:

<b>Denomination</b>	The Notes will be issued in registered form in minimum denomination of S\$250,000 and integral multiples of S\$1.00 in excess thereof.
<b>Issue Price</b>	100% of principal amount
<b>Form of Notes</b>	The Notes will be issued in registered form. A note certificate will be issued to each Noteholder in respect of its registered holding of Notes.
<b>Maturity Date</b>	The Notes will be redeemed at their principal amount on the 10th anniversary of their issue date, and such maturity date may be extended to the 20th anniversary or such other date if agreed by the Noteholders and the Fund Trustee.

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<b>Interest</b>	The Notes will bear interest from and including the issue date of the Notes, at the rate of 7.00 per cent. per annum, payable quarterly in arrears in each year.
<b>Issuer Call</b>	The Fund Trustee may at its option redeem all or some of the Notes if the Fund Trustee satisfies the Notes Trustee that Boustead Industrial Fund has available excess funds (whether arising out of a sale of any part of the assets of Boustead Industrial Fund, or from the operating income of Boustead Industrial Fund), or using funds raised from borrowings or capital market transactions for the purpose of such redemption.
<b>Noteholders' Right of First Offer</b>	Save for a transfer of any or all of a Noteholder's Notes to (a) any entity controlled, directly or indirectly, by the Noteholder, (b) any entity that controls, directly or indirectly, the Noteholder, or (c) any entity directly or indirectly under common control with the Noteholder, or as otherwise set out in the Notes Trust Deed, Noteholders shall have a pro rata right of first offer in respect of existing Notes to be transferred by the other Noteholders.

The proportion of the Units to the total number of issued Units subscribed by a Noteholder shall be the same as the proportion of the Notes to the aggregate principal amount of Notes outstanding subscribed by a Noteholder, and where any Units or Notes are subsequently transferred, an equal proportion of the Notes or Units, as the case may be, held by that transferor will have to be sold to the transferee as well.

In accordance with the terms and conditions of the Notes set out in the Notes Trust Deed, (i) the Noteholders and the Fund Trustee may agree to reduce or vary the interest payable on the Notes, and (ii) the Fund Trustee may elect to defer the payment of any interest (or to pay only part of any interest).

The Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 135 of Singapore, however there may be certain situations (such as the failure by Metrobilit to complete its subscription of its proportion of Units and Notes) which may result in the Notes not qualifying as such.

### Sponsor QDS Deed of Payment

In connection with APSG's subscription for Notes, the Company has entered into a deed of payment (the "**Sponsor QDS Deed of Payment**") dated 31 December 2020 with APSG, where the Company has agreed, subject to the terms of the Sponsor QDS Deed of Payment, that in the event the Notes subscribed for by APSG (the "**APSG Notes**") do not qualify, or lose their qualification as qualifying debt securities for the purposes of the Income Tax Act, Chapter 134 of Singapore, the Company shall make APSG whole in relation to the additional income tax payable by APSG on the net interest income earned by APSG on its investment in the APSG Notes based on the prevailing corporate tax for each year of assessment of a Singapore-incorporated company (which is at 17.0% as at the date of the Sponsor QDS Deed of Payment) (the "**Make-Whole Amount**"), subject to a maximum of S\$2,833,180.

#### 4) Proposed Divestment

##### 4.1) **Description of and consideration for the Initial Industrial Properties**

In connection with the establishment of Boustead Industrial Fund, the Company (through its relevant subsidiaries, joint ventures and associated companies (collectively, the "**Group**")) has

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agreed to sell the Directly Held Properties (as defined below) and the Company's interest in each of BP-TN Pte. Ltd. ("**BP-TN**"), BP-SF Turbo LLP ("**BP-SF Turbo**") and BP-CA3 LLP ("**BP-CA3**", together with BP-TN and BP-SF Turbo, the "**SPVs**"), being the holding entities of 10Tukang, 11SAL and Continental Building P3 respectively (each as defined below) (the "**Proposed Divestment**") which will comprise the initial portfolio properties of Boustead Industrial Fund (the "**Initial Industrial Properties**").

The Proposed Divestment is subject to the receipt of Shareholders' approval for the resolution to be proposed at the EGM.

The total valuation of the Company's interests in the Initial Industrial Properties is S\$331.2 million (based on the independent valuations conducted by CBRE Pte. Ltd. and TEHO Property Consultants Pte. Ltd. as at 30 November 2020), and the total consideration for the sale of the Directly Held Properties and the Company's interests in the SPVs is S\$332.2 million, inclusive of the Bombardier Aerospace Tranche 2 Consideration referred to in paragraph (4.1)(iii)(b). Based on the unaudited consolidated financial statements of the Group as at 30 September 2020, the aggregate book value of the Company's interest in the Directly Held Properties and the net tangible asset value of the Company's interests in the SPVs (the "Book Value") were S\$125.3 million. The total consideration of S\$332.2 million represents an excess of S\$206.9 million over the Book Value. The purchase consideration of the Company's interests in the Initial Industrial Properties takes into consideration the independent valuation of the property, and (in respect of BP-TN, BP-SF Turbo and BP-CA3) the adjusted net asset value of the property holding entity, and the outstanding interest-free partner's loan given to the property holding entity as at the completion date of the agreement.

i) Edward Boustead Centre

BP-Ubi Industrial Pte. Ltd. ("**BP-Ubi Ind**") owns the 30-year leasehold interest (commencing on 5 April 2013) in the property known as Edward Boustead Centre, located at 82 Ubi Avenue 4, Singapore 408832 ("**Edward Boustead Centre**"). BP-Ubi Ind will sell its entire leasehold interest in Edward Boustead Centre to the Fund Trustee, as well as assign or novate the existing leases in respect of Edward Boustead Centre to the Fund Trustee. BP-Ubi Ind is wholly-owned by BP-Ubi Development Pte. Ltd., which is a joint venture company held by the Company and Tat Hong Investments Pte Ltd in equal proportions.

The cash consideration for the sale of Edward Boustead Centre is S\$33.0 million (the "**Edward Boustead Centre Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$34.0 million. The proportionate amount attributable to the Company for the sale of the Interest in Edward Boustead Centre is S\$16.5 million.

ii) GSK Building

BP-Vista LLP ("**BP-Vista**") owns the 30-year leasehold interest (commencing on 16 February 2015) in the business park property known as GSK Asia House, located at 23 Rochester Park, Singapore 139234, and three (3) conservation bungalows located at 20 to 22 Rochester Park ("**GSK Building**"). BP-Vista will sell its entire leasehold interest in GSK Building to the Fund Trustee, as well as assign or novate the existing lease in respect of GSK Building to the Fund Trustee. BP-Vista is a limited liability partnership, and its partners are the Company and Al Sariya Real Estate L.P. ("**ASRE**") holding 30.0% and 70.0% of the partnership interests in BP-Vista respectively.

The cash consideration for the sale of GSK Building is S\$144.8 million (the "**GSK Building Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$146.5

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million. The proportionate amount attributable to the Company for the sale of the Interest in GSK Building is S\$43.4 million.

iii) Bombardier Aerospace

BP-BBD Pte. Ltd. ("**BP-BBD**") owns the 30-year leasehold interest (commencing on 1 June 2012) in the property known as Bombardier Aerospace, located at 10 Seletar Aerospace Heights, Singapore 797546 ("**Bombardier Aerospace**"). BP-BBD will sell its entire leasehold interest in Bombardier Aerospace to the Fund Trustee, as well as assign or novate the existing lease in respect of Bombardier Aerospace to the Fund Trustee. BP-BBD is a wholly-owned subsidiary of the Company.

The cash consideration for the sale of Bombardier Aerospace is up to S\$22.2 million (the "**Bombardier Aerospace Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$21.0 million. The Bombardier Aerospace Consideration shall be paid as follows:

- a) S\$18.4 million paid upon the date of completion; and
- b) up to S\$3.8 million (the "**Bombardier Aerospace Tranche 2 Consideration**") to be paid upon:
  - 1) the expiry of the option granted to the tenant of Bombardier Aerospace (the "**Bombardier Aerospace Tenant**") to purchase the leasehold interest in Bombardier Aerospace from the Fund Trustee on 8 July 2023 (the "**Bombardier Aerospace Tenant's Option**") without the Bombardier Aerospace Tenant exercising such option; or
  - 2) the date of obtaining confirmation from the Bombardier Aerospace Tenant that it does not intend to exercise the Bombardier Aerospace Tenant's Option; or
  - 3) the signing of a binding agreement with any party other than the Bombardier Aerospace Tenant for the sale of the leasehold interest in Bombardier Aerospace by the Fund Trustee at any price.

In the event the Bombardier Aerospace Tenant chooses to exercise the Bombardier Aerospace Tenant's Option, then the Bombardier Aerospace Tranche 2 Consideration will not be payable and BP-BBD may be required to pay to the Fund Trustee an amount not exceeding S\$0.94 million.

iv) 10 Changi North Way

CN Logistics Pte. Ltd. ("**CN-Log**") owns the 24-year and four-month leasehold interest (commencing on 16 September 2010, with an option to renew for a further 30 years) in the property located at 10 Changi North Way, Singapore 498740 ("**10CNW**"). CN-Log will sell its entire leasehold interest in 10CNW to the Fund Trustee, as well as assign or novate the existing leases in respect of 10CNW to the Fund Trustee. CN-Log is a wholly-owned subsidiary of the Company.

The cash consideration for the sale of 10CNW is S\$27.0 million (the "**10CNW Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$26.2 million.

v) 12 Changi North Way

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CN-Log also owns the 30-year leasehold interest (commencing on 16 January 2005, with an option to renew for a further 30 years) in the property located at 12 Changi North Way, Singapore 498791 ("**12CNW**"). CN-Log will sell its entire leasehold interest in 12CNW to the Fund Trustee, as well as assign or novate the existing leases in respect of 12CNW to the Fund Trustee.

The cash consideration for the sale of 12CNW is S\$38.4 million (the "**12CNW Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$43.2 million.

vi) 16 Changi North Way

CN-Log also owns the 27-year, four-month and 15-day leasehold interest (commencing on 1 September 2007, with an option to renew for a further 30 years) in the property located at 16 Changi North Way, Singapore 498772 ("**16CNW**"). CN-Log will sell its entire leasehold interest in 16CNW to the Fund Trustee, as well as assign or novate the existing lease in respect of 16CNW to the Fund Trustee.

The cash consideration for the sale of 16CNW is S\$23.5 million (the "**16CNW Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$23.6 million.

vii) 26 Changi North Rise

BP-SFN Pte. Ltd. ("**BP-SFN**") owns the 30-year leasehold interest (commencing on 30 April 2010, with an option to renew for a further 30 years) in the property located at 26 Changi North Rise, Singapore 498756 ("**26CNR**"). BP-SFN will sell its entire leasehold interest in 26CNR to the Fund Trustee, as well as assign or novate the existing lease in respect of 26CNR to the Fund Trustee. BP-SFN is a wholly-owned subsidiary of the Company.

The cash consideration for the sale of 26CNR is S\$13.0 million (the "**26CNR Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$13.1 million.

viii) 16 Tampines Industrial Crescent

BP-JCS Pte. Ltd. ("**BP-JCS**") owns the 30-year leasehold interest (commencing on 16 June 2012) in the property located at 16 Tampines Industrial Crescent, Singapore 528604 ("**JCS**"). BP-JCS will sell its entire leasehold interest in JCS to the Fund Trustee, as well as assign or novate the existing lease in respect of JCS to the Fund Trustee. BP-JCS is a wholly-owned subsidiary of the Company.

The cash consideration for the sale of JCS is S\$39.3 million (the "**JCS Consideration**"), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$40.0 million.

ix) 85 Tuas South Avenue 1

BP-Tuas1 Pte. Ltd. ("**BP-Tuas1**") owns the 30-year leasehold interest (commencing on 16 April 2007, with an option to renew for a further 23 years) in the property located at 85 Tuas South Avenue 1, Singapore 637419 ("**85Tuas**"). BP-Tuas1 will sell its entire leasehold interest in 85Tuas to the Fund Trustee, as well as assign or novate the existing lease in respect of 85Tuas to the Fund Trustee. BP-Tuas1 is a wholly-owned subsidiary of the Company.

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The cash consideration for the sale of 85Tuas is S\$21.2 million (the “**85Tuas Consideration**”), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$21.2 million.

x) 11 Seletar Aerospace Link

BP-SF Turbo LLP owns the 30-year leasehold interest (commencing on 24 April 2015) in the property located at 11 Seletar Aerospace Link, Singapore 797554 (“**11SAL**”). BP-SF Turbo is a limited liability partnership, and its current partners are the Company and ASRE each holding equal partnership interests. In connection with the Proposed Divestment, the Company has entered into (i) a sale and purchase agreement and deed of assignment with ASRE to acquire a 24.5% partnership interest and 24.5% of the interest-free partner’s loan in BP-SF Turbo (the “**BP-SF Pre-Completion Sale Interests**”), and (ii) a sale and purchase agreement and a deed of assignment with the Fund Trustee in respect of the sale to the Fund Trustee of a 49.0% partnership interest and 49.0% of the interest-free partner’s loan in BP-SF Turbo (the sale and purchase agreement and deed of assignment with the Fund Trustee, being the “**11SAL SPA**”).

The cash consideration for the purchase of the BP-SF Pre-Completion Sale Interests from ASRE is S\$1.4 million, and was negotiated on a willing-buyer and willing-seller basis taking into consideration the adjusted net assets of BP-SF Turbo as at 31 October 2020, the outstanding interest-free partner’s loan given to BP-SF Turbo as at the completion date of the agreement and the independent valuation of 11SAL of S\$12.0 million (the “**BP-SF Consideration**”).

The cash consideration for the sale of a 49.0% partnership interest and assignment of 49.0% of the interest-free partner’s loan (the “**BP-SF Sale Interests**”) in BP-SF Turbo by way of the 11SAL SPA is S\$2.7 million (the “**11SAL Consideration**”), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the BP-SF Consideration. The net consideration attributable to the Company for the sale of the Company’s partnership interest in BP-SF Turbo is S\$1.4 million.

The Company is not expected to recognise any gain or loss on the purchase of the BP-SF Pre-Completion Sale Interests from ASRE, and the subsequent sale of the BP-SF Sale Interests to the Fund Trustee.

xi) 10 Tukang Innovation Drive

BP-TN Pte. Ltd. owns the 30-year leasehold interest (commencing on 1 November 2013) in the property located at 10 Tukang Innovation Drive, Singapore 618302 (“**10Tukang**”). BP-TN is a wholly-owned subsidiary of the Company. The Company has entered into a sale and purchase agreement and a deed of assignment with the Fund Trustee in respect of the sale to the Fund Trustee of 49.0% of the issued share capital of BP-TN and 49.0% of the interest-free shareholder loan in BP-TN (the “**10Tukang SPA**”).

The cash consideration for the sale of a 49.0% interest in BP-TN and assignment of 49.0% of the interest-free shareholder loan in BP-TN by way of the 10Tukang SPA is S\$26.4 million (the “**10Tukang Consideration**”), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the adjusted net asset value of BP-TN as at 31 October 2020, the outstanding interest-free partner’s loan given to BP-TN as at the completion date of the agreement and the independent valuation of the property of S\$52.0 million.

xii) Continental Building (Phases 1 & 2)

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The property known as the Continental Building, located at 80 Boon Keng Road, Singapore 339780 (“**Continental Building**”) is split into three separate phases. BP-CA Pte. Ltd. (“**BP-CA**”) owns the 30-year leasehold interest (commencing on 1 April 2011, with an option to renew for a further 18 years and four months) in Phases 1 and 2 of the Continental Building (“**Continental Building P1 & P2**”). BP-CA will sell its entire leasehold interest in Continental Building P1 & P2 to the Fund Trustee, as well as assign or novate the existing lease in respect of Continental Building P1 & P2 to the Fund Trustee. BP-CA is a wholly-owned subsidiary of the Company.

The cash consideration for the sale of Continental Building P1 & P2 is S\$60.0 million (the “**Continental Building P1 & P2 Consideration**”), and was negotiated on a willing-buyer and willing-seller basis taking into consideration the independent valuation of the property of S\$53.5 million.

xiii) Continental Building (Phase 3)

BP-CA3 LLP owns the 30-year leasehold interest (commencing 1 February 2017) in Phase 3 of the Continental Building, with its address at 84 Boon Keng Road, Singapore 339781 (“**Continental Building P3**”). BP-CA3 is a limited liability partnership, and its current partners are BP-CA and ASRE each holding equal partnership interests.

In connection with the Proposed Divestment, the Company will, through BP-CA, enter into (i) a sale and purchase agreement and deed of assignment with ASRE to acquire a 49.0% partnership interest and 49.0% of the interest-free partner’s loan in BP-CA3 (the “**BP-CA3 Pre-Completion Sale Interests**”), and (ii) a sale and purchase agreement and deed of assignment with the Fund Trustee in respect of the sale to the Fund Trustee of the BP-CA3 Sale Interests (as defined below) (the sale and purchase agreement and deed of assignment with the Fund Trustee, being the “**Continental Building P3 SPA**”).

The consideration for the purchase of the BP-CA3 Pre-Completion Sale Interests from ASRE is S\$8.4 million, and was negotiated on a willing-buyer and willing-seller basis taking into consideration the adjusted net assets of BP-CA3 as at 31 October 2020, the outstanding interest-free partner’s loan given to BP-CA3 as at the completion date of the agreement and the independent valuation of Continental Building P3 of S\$25.0 million.

The cash consideration for the sale of the 49.0% partnership interest and assignment of 49.0% of the interest-free partner’s loan in BP-CA3 (the “**BP-CA3 Sale Interests**”) to the Fund Trustee pursuant to the Continental Building P3 SPA is S\$8.4 million (the “**Continental Building P3 Consideration**”), which is the same consideration the Company paid to ASRE for the BP-CA3 Pre-Completion Sale Interests. There would not be any net consideration payable by BP-CA for the BP-CA3 Pre-Completion Sale Interests, and subsequent sale of the BP-CA3 Sale Interests to the Fund Trustee.

The Company is not expected to recognise any gain or loss on the purchase of the BP-CA3 Sale Interests from ASRE, and the subsequent sale of the same to the Fund Trustee.

The consideration payable by Boustead Industrial Fund for the Initial Industrial Properties will be paid by the proceeds raised in connection with the issuance of the Units and Notes to the Initial Fund Investors, as well as bank borrowings obtained by Boustead Industrial Fund.

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The Company is expected to recognise a gain on disposal of approximately S\$136.1 million<sup>4</sup>, being a net gain on the Proposed Divestment after deducting the professional and other fees and expenses in connection with the Proposed Transactions.

### 4.2) Key Terms of Acquisition Agreements

The Company (through the relevant members of the Group) has entered into the following agreements in connection with the Proposed Divestment (the “**Acquisition Agreements**”):

#### Call and Put Option Agreements

The Fund Trustee has on 31 December 2020 entered into ten separate call and put option agreements (the “**Call and Put Option Agreements**”) with each of the relevant Group entities (the “**Directly Held Property Vendors**”) which hold Edward Boustead Centre, GSK Building, Bombardier Aerospace, 10CNW, 12CNW, 16CNW, 26CNR, JCS, 85Tuas and Continental Building P1 & P2 (collectively, the “**Directly Held Properties**”) in respect of the acquisition of each of the Directly Held Properties. The Call and Put Option Agreements will grant the Fund Trustee a call option to buy and the relevant Directly Held Property Vendor a put option to sell the relevant Directly Held Property. The call option or the put option (as the case may be) under each Call and Put Option Agreement is to be exercised collectively and concurrently. Pursuant to the terms of the Call and Put Option Agreements, the Fund Trustee shall pay an aggregate deposit of S\$2.1 million (the “**Option Deposit**”), being equivalent to 0.5% of the aggregate purchase price (the “**Purchase Price**”) of the Directly Held Properties within three business days from the execution of the relevant Call and Put Option Agreement. The sale and purchase of the Directly Held Properties, and the sale and purchase of the 49.0% interest in the SPVs are on a collective sale and purchase basis.

In the event any one or more of the Call and Put Option Agreements in respect of the Directly Held Properties is rescinded or terminated prior to the exercise of the call or put option, or the expiry of the call option period or put option period, the Fund Trustee or the Directly Held Property Vendor shall still be entitled to exercise the call or put options, as the case may be, in respect of the remaining Directly Held Properties (the “**Remaining Properties**”) under the other Call and Put Option Agreements which have not been rescinded or terminated (the “**Other Call and Put Option Agreements**”), provided among others that the aggregate of the following does not fall below S\$400.0 million (the “**Agreed Value**”):

- the purchase price of the Remaining Properties; and
- (where any of the 10Tukang SPA, 11SAL SPA and Continental Building P3 SPA has not been rescinded or terminated prior to the exercise of the call or put option) 49.0% of the property value of the 10Tukang, 11SAL and Continental Building P3 (together, the “**SPV Properties**”) as determined based on a valuation report issued by an appointed valuer as at 30 November 2020 or as mutually agreed between the Fund Trustee and the relevant Directly Held Property Vendor.

In the event the aggregate purchase price of the above falls below the Agreed Value due to the conditions precedent in the Call and Put Option Agreements not being fulfilled by the Directly Held Property Vendor, the Directly Held Property Vendor shall pay the sum equivalent to 0.5% of the Purchase Price to the Fund Trustee, as reimbursement of the transaction costs incurred by the Fund Trustee.

Each of the Call and Put Option Agreements is also conditional, among others, upon the following:

<sup>4</sup> For the purposes of determining this amount, it is assumed that completion of the Acquisitions Agreements and Ancillary Acquisition Agreements had respectively been completed on 30 September 2020, and includes the Bombardier Aerospace Tranche 2 Consideration but excludes gains from the BP-CA3 Subsequent Acquisition.

## *Company Announcement*

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- the Directly Held Property Vendor having obtained certain approvals and confirmations from JTC Corporation relating to (i) the sale of the property to the Fund Trustee; (ii) the lease agreements with the existing tenants to be assigned or novated to the Fund Trustee, and (iii) there being no subsisting breach by the Directly Held Property Vendor of the head lease;
- the Directly Held Property Vendor having completed, at its own cost and expense, certain agreed-upon rectification works identified by the Fund Trustee on the property to the reasonable satisfaction of the Fund Trustee; and
- the Fund Trustee entering into a loan agreement to secure the necessary financing to finance the acquisition of the Directly Held Property in accordance with the terms of the Purchase Conditions (as defined below), if required.

In the event that any of the conditions precedent set out in the Call and Put Option Agreement is not fulfilled by the Directly Held Property Vendor, or there is a material uncured breach of any of representations and the warranties by the Directly Held Property Vendor in the Call and Put Option Agreement, the Fund Trustee may rescind or terminate the Call and Put Option Agreement before either the call option or put option is exercised, and upon such rescission or termination, the Directly Held Property Vendor shall refund the Option Deposit of the relevant Directly Held Property to the Fund Trustee, and pay to the Fund Trustee the sum equivalent to 0.5% of the Purchase Price of the relevant Directly Held Property, being the reimbursement of the transaction costs incurred by the Fund Trustee.

### Purchase Conditions

Upon the exercise of the call option or the put option in accordance with the terms of each Call and Put Option Agreement, the Fund Trustee will be deemed to have entered into a binding contract with each of the Directly Held Property Vendors containing additional conditions relating to the sale and purchase of the Directly Held Properties (the “**Purchase Conditions**”). The principal terms of the Purchase Conditions include, among others, an obligation on the Directly Held Property Vendor to reinstate the property in the event of damage or destruction caused to the Directly Held Property, and the sale and purchase of the Directly Held Property being subject to existing tenancies.

### Sale and Purchase Agreements

#### 10Tukang SPA

The Fund Trustee has entered into the 10Tukang SPA dated 31 December 2020 with the Company in respect of the acquisition of a 49.0% interest in BP-TN for an aggregate purchase consideration of S\$26.4 million being the estimated amount of the adjusted net assets of BP-TN as at 31 October 2020, subject to further post completion adjustments based on the difference between the actual adjusted net assets of BP-TN as at the date of completion of the acquisition, and the estimated adjusted net assets of BP-TN as at 31 October 2020.

Pursuant to the 10Tukang SPA, the Company shall (i) sell to the Fund Trustee the issued and fully-paid ordinary shares in the capital of BP-TN owned by the Company, representing 49.0% of the total number of issued shares in BP-TN; and (ii) assign 49.0% of the outstanding interest-free shareholder loan given to BP-TN as at the completion date of the agreement.

The 10Tukang SPA is conditional, among others, on (i) the Company receiving certain confirmations from JTC Corporation and (ii) completion of certain agreed-upon rectification works identified by the Fund Trustee on 10Tukang.

#### 11SAL SPA

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The Fund Trustee has entered into the 11SAL SPA dated 31 December 2020 with the Company in respect of the acquisition of a 49.0% partnership interest in BP-SF Turbo for an aggregate purchase consideration of S\$2.7 million being the estimated amount of the adjusted net assets of BP-SF Turbo as at 31 October 2020, subject to further post completion adjustments based on the difference between the actual adjusted net assets of BP-SF Turbo as at the date of completion of the acquisition, and the estimated adjusted net assets of BP-SF Turbo as at 31 October 2020.

Pursuant to the 11SAL SPA, the Company shall (i) sell to the Fund Trustee its partnership interest in BP-SF Turbo, representing 49.0% of the aggregate partnership interest in BP-SF Turbo; and (ii) assign 49.0% of the outstanding interest-free partner's loan given to BP-SF Turbo as at the completion date of the agreement.

The 11SAL SPA is conditional, among others, on (i) the Company receiving certain consents and confirmations from JTC Corporation and United Overseas Bank Limited ("**UOB**"), (ii) completion of certain agreed-upon rectification works identified by the Fund Trustee on 11SAL, and (iii) completion of the Pre-Completion SPAs (as defined under paragraph 4.3).

### Continental Building P3 SPA

The Fund Trustee has entered into the Continental Building P3 SPA dated 31 December 2020 with the Company (through BP-CA) in respect of the acquisition of the BP-CA3 Sale Interests for an aggregate purchase consideration of S\$8.4 million being the estimated amount of the adjusted net assets of BP-CA3 as at 31 October 2020, subject to further post completion adjustments based on the difference between the actual adjusted net assets of BP-CA3 as at the date of completion of the acquisition, and the estimated adjusted net assets of BP-CA3 as at 31 October 2020.

Pursuant to the Continental Building P3 SPA, BP-CA shall (i) sell to the Fund Trustee its partnership interest in BP-CA3, representing 49.0% of the aggregate partnership interest in BP-CA3; and (ii) assign 49.0% of the outstanding interest-free partner's loan given to BP-CA3 as at the completion date of the agreement.

The Continental Building P3 SPA is conditional, among others, on (i) BP-CA receiving certain consents and confirmations from JTC Corporation and UOB, (ii) completion of certain agreed-upon rectification works identified by the Fund Trustee on Continental Building P3, and (iii) completion of the Pre-Completion SPAs (as defined under paragraph 4.3).

The 10Tukang SPA, the 11SAL SPA and the Continental Building P3 SPA collectively, the "**Sale and Purchase Agreements**".

Under the terms of the Sale and Purchase Agreements, the sale and purchase of the Directly Held Properties, and the sale and purchase of the 49.0% interest in the SPVs are on a collective sale and purchase basis and are inter-conditional upon the other. However, in the event any of the sale and purchase of the Directly Held Properties and any of the Sale and Purchase Agreements are not completed, the Fund Trustee may, subject to certain conditions, elect to proceed with all but not some of the remaining Sale and Purchase Agreements, together with all but not some of the sale and purchase of the remaining Directly Held Properties. In the event that any of the conditions precedent set out in the Sale and Purchase Agreements is not fulfilled or waived in accordance with the agreement, the Fund Trustee may terminate the relevant Sale and Purchase Agreement.

### **4.3) Ancillary Acquisition Agreements**

In connection with the Proposed Divestment, the following agreements have also been entered into by the Company (the "**Ancillary Acquisition Agreements**"):

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### Pre-Completion Transfers

Concurrently with the execution of the Continental Building P3 SPA and 11SAL SPA, ASRE has entered into two separate sale and purchase agreements (the “**Pre-Completion SPAs**”) dated 31 December 2020 with BP-CA and the Company for ASRE to transfer its 49.0% and 24.5% partnership interest in BP-CA3 and BP-SF Turbo respectively to BP-CA and the Company. Pursuant to the Pre-Completion SPAs, ASRE will also enter into a deed of assignment to assign to BP-CA and the Company 49.0% and 24.5% of the outstanding interest-free partner’s given to BP-CA3 and BP-SF Turbo respectively (the “**Transferred Loans**”). The aggregate purchase consideration for the sale of the BP-CA3 Pre-Completion Sale Interests and the BP-SF Pre-Completion Sale Interests was S\$8.4 million and S\$1.4 million respectively, taking into consideration the adjusted net assets of BP-CA3 and BP-SF Turbo as at 31 October 2020, the outstanding interest-free partner’s loan given to BP-CA3 and BP-SF Turbo respectively as at the completion date of the agreement and the independent valuations of Continental Building P3 and 11SAL respectively. For the avoidance of doubt, the consideration for the sale of the Transferred Loans is the sum equal to the Transferred Loans. The completion of the Pre-Completion SPAs is conditional on the concurrent completion of the Call and Put Option Agreements and the Sale and Purchase Agreements.

The Company has executed a capital top-up deed (the “**Capital Top-Up Deed**”) in favour of ASRE, to pay ASRE an aggregate amount of up to S\$3.6 million within an agreed period subject to completion of the sale of the GSK Building and/or Continental Building P3 SPA.

### Deed of Rental Guarantee

In consideration of the Fund Trustee completing the sale and purchase of the Directly Held Properties and the 49.0% interest in BP-TN, the Company will execute a deed of rental guarantee (the “**Deed of Rental Guarantee**”) in favour of the Fund Trustee to guarantee the receipt of a monthly rental income amount of not less than an agreed amount per month (the “**Guaranteed Rent Amount**”) generated/to be generated from the lease in respect of Bombardier Aerospace, 10CNW, 12CNW, 16CNW, 26CNR, JCS, Continental Building P1 & P2, 85Tuas, and 10Tukang (the “**Relevant Properties**”) for the 12 months following the completion date of the Purchase Conditions and 10Tukang SPA for the Relevant Properties (the “**Guarantee Period**”).

Under the terms of the Deed of Guarantee, the Company is required to make payment of the shortfall amount between the monthly rental received by the Fund Trustee and the Guaranteed Rent Amount (the “**Monthly Shortfall Amount**”) up to an aggregate Guaranteed Rent Amount, which shall be dependent on the completion date of the Purchase Conditions and 10Tukang SPA for the Relevant Properties (“**Maximum Guaranteed Rent Amount**”). The Maximum Guaranteed Rent Amount is estimated to be S\$25.5 million.

### Agreements in relation to BP-SF Turbo, BP-TN and BP-CA3

#### *Limited Liability Partnership Agreements*

Following the acquisition of 49.0% of the partnership interests in each of BP-SF Turbo and BP-CA3 by the Fund Trustee, the Company (in respect of BP-SF Turbo only), BP-CA (in respect of BP-CA3 only), ASRE and the Fund Trustee, (collectively, the “**LLP Partners**”) will enter into a limited liability partnership agreement (the “**LLPA**”) with each of BP-SF Turbo and BP-CA3 respectively to regulate the relationship among the LLP Partners and which supersedes the previous limited liability partnership agreements in respect of BP-SF Turbo and BP-CA3 respectively between the Company or BP-CA, as the case may be, and ASRE. The proportion of capital contribution from each of the Company, ASRE and the Fund Trustee in BP-SF Turbo shall be 25.5%, 25.5% and 49.0% respectively. The proportion of capital contribution from each of the Company, ASRE and the Fund Trustee in BP-CA3 shall be 50.0%, 1.0% and 49.0%

## Company Announcement

respectively. Further details on the LLPA in relation to each of BP-SF Turbo and BP-CA3 will be announced at a later date, and included in the Circular.

### *Shareholders' Agreement*

Following the acquisition of 49.0% of the partnership interests in BP-TN by the Fund Trustee, the Company and the Fund Trustee (collectively the “**BP-TN Shareholders**”) will enter into a shareholders' agreement (the “**BP-TN Shareholders' Agreement**”) to regulate the relationship between the BP-TN Shareholders. The proportion of shareholding from each of the Company, and the Fund Trustee in BP-TN shall be 51.0% and 49.0% respectively. Further details on the BP-TN Shareholders' Agreement will be announced at a later date, and included in the Circular.

### Agreements in relation to the Directly Held Properties

In connection with the Proposed Divestment, the Company (through the relevant members of the Group) will assign or novate to the Fund Trustee the relevant operational and administrative agreements in respect of the Initial Industrial Properties, including but not limited to tenancies, insurance policies and maintenance contracts, entered into in the ordinary course of business.

#### **4.4) Use of Proceeds**

The Proposed Divestment is expected to raise gross proceeds of approximately S\$328.4 million<sup>5</sup>. The Company expects to use the gross proceeds as follows:

- i) approximately S\$98.0 million to discharge the existing encumbrances over the Initial Industrial Properties;
- ii) approximately S\$0.9 million for the estimated professional and other fees and expenses (including valuation and legal fees) incurred or to be incurred by the Company in connection with the Proposed Transactions;
- iii) approximately S\$72.7 million for the Proposed Subscription<sup>6</sup>; and
- iv) approximately S\$19.6 million for associated taxes, rectification works, estimated aggregate Monthly Shortfall Amount and payment in relation to the Capital Top-Up Deed.

The balance of approximately S\$137.2 million is currently intended to be used by the Company to pursue its growth strategies by funding investments in its principal businesses, with the remaining amount to be used for general corporate and working capital requirements. The Board may also declare a special dividend out of the balance, which shall be subject to approval of the Shareholders and applicable laws and regulations. Shareholders should not place undue reliance on any expectation that any special dividend will be made, and Shareholders and other investors are advised to exercise caution when dealing in the ordinary shares of the Company (the “**Shares**”, and the holders of such Shares, the “**Shareholders**”).

Pending deployment, the proceeds may be deposited with banks and/or financial institutions, or invested for any other purpose as the Company may, in its absolute discretion, deem fit.

#### **5) Rationale for the Proposed Resolution**

<sup>5</sup> For the purposes of determining the amount of gross proceeds, it is assumed that completion of the Acquisitions Agreements and Ancillary Acquisition Agreements had respectively been completed on 30 September 2020, excluding acquisition and performance fees, Bombardier Aerospace Tranche 2 Consideration and the BP-CA3 Subsequent Acquisition.

<sup>6</sup> For purposes of determining the amount for the Proposed Subscription, it is assumed that the subscription to fund the BP-CA3 Subsequent Acquisition and Bombardier Aerospace Tranche 2 Consideration are excluded.

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Through the establishment of Boustead Industrial Fund, the Proposed Subscription and the Proposed Divestments enable the Company to unlock value in the Initial Industrial Properties, strengthen the Group's balance sheet and create a long-term, sustainable platform to house its portfolio of stabilised, income-generating industrial properties, which are for the long-term benefit of Shareholders.

**a) Unlock value in the Initial Industrial Properties and strengthen the Group's balance sheet**

The Proposed Divestment would enable the Company to tap into capital from third party institutional and accredited investors to unlock and release capital invested into the Initial Industrial Properties, which are currently held by the Group and joint ventures entered into by the Group. The Group will retain a significant amount of the cash proceeds, which would benefit the Group and shareholders of the Company insofar as the Company is able to fund an organic expansion of the Group's business and footprint within Asia. At present, the Company intends for the proceeds of the Proposed Divestment to be recycled in the following manner:

- i) The Company would be able to focus on its current growth area in increasingly capital-intensive, sophisticated and complex industrial development projects or high-tech development projects, strengthening the Company's existing niche in design, construction and development of industrial and logistics properties within Asia.
- ii) The Company has also in recent years, renewed its focus on investment in foreign projects.

**b) Create a long-term, sustainable platform for the holding of stabilised income-generating industrial properties in Singapore**

The establishment of Boustead Industrial Fund provides the Company with a sizeable platform to hold stabilised income-generating industrial properties. The Initial Industrial Properties currently comprise leasehold interests in JTC Corporation properties wholly-owned within the Group or held in joint ventures.

In addition, the Company believes that Boustead Industrial Fund would serve as an efficient platform for holding future stabilised income-generating industrial properties which the Group may divest, subject to mutual agreement and necessary approvals. Such disposals have the potential to realise the long-term capital appreciation value created in such properties.

**c) Shareholders continue to benefit from substantial ownership and management of the Initial Industrial Properties and any further Industrial Properties**

Notwithstanding that the Company will have divested its interest in the Initial Industrial Properties, the establishment of Boustead Industrial Fund and the Proposed Subscription would allow the Shareholders to continue to enjoy a proportion of the recurring income generated by the Initial Industrial Properties and any further Industrial Properties acquired through Boustead Industrial Fund. In addition, the Company is expected to maintain its ability to provide management services to the Industrial Properties held under Boustead Industrial Fund via agreements to be entered into with the Fund Manager and/or the relevant service provider entities within the Group. The Group is therefore expected to earn a sustainable and scalable fee income stream from its management of Boustead Industrial Fund and/or the Industrial Properties held under Boustead Industrial Fund, further benefiting the Company and its Shareholders.

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### 6) Financial Effects

#### 6.1) Bases and Assumptions

The financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Group after the completion of the Proposed Transactions. The significant assumptions and bases are set out as follows:

- a) for the purposes of determining the amount of the consideration payable for the Initial Industrial Properties, it is assumed that the full amount of the Bombardier Aerospace Tranche 2 Consideration is payable;
- b) the Company will be subscribing for new Units and Notes comprising a 25.0% interest in Boustead Industrial Fund for the Proposed Initial Subscription; and
- c) the amount of the Consideration payable for the Properties does not include the amount of consideration to be received for the Company's remaining interests in Continental Building P3 pursuant to the BP-CA3 Subsequent Acquisition, and the Company's subscription of additional Units pursuant to the Proposed BP-CA3 Subscription is not included.

#### 6.2) Net Tangible Assets ("NTA")<sup>(1)(2)</sup> per Share

Assuming the Proposed Transactions had been completed on 31 March 2020, the financial effects of the Proposed Transactions on the consolidated NTA of the Group as at 31 March 2020 are set out below.

	Before the Proposed Transactions	After the Proposed Transactions
NTA (S\$ 'million)	297.4	431.2
No. of issued Shares ('million') <sup>(3)</sup>	310.7	310.7
NTA per Share (S\$)	0.957	1.388

**Notes:**

- (1) The effects of the Proposed Transactions on the NTA per Share are the same as those on the NAV per Share as the Company does not have any material intangible assets.
- (2) Does not take into consideration the Make-Whole Amount as the Company is of the view that the Make-Whole Amount would not have a material financial effect on the NTA per Share.
- (3) The number of issued ordinary shares is calculated based on the total number of issued shares, excluding treasury shares of the Company.

#### 6.3) Earnings per Share<sup>(1)</sup>

Assuming the Proposed Transactions had been completed on 1 April 2019, the financial effects of the Proposed Transactions on the consolidated earnings of the Group for the financial year ended 31 March 2020 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Profit after tax attributable to shareholders of the Company (S\$ 'million)	22.2	142.4
Weighted average no. of Shares ('million')	310.7	310.7

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Earnings per Share (cents)	7.2	45.8
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**Note:**

- (1) Does not take into consideration the Make-Whole Amount as the Company is of the view that the Make-Whole Amount would not have a material financial effect on the Earnings per Share.

### 7) **Major Transaction pursuant to Chapter 10 of Listing Manual**

**7.1** Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by the Company. Such transactions are classified into the following categories:

- a) non-discloseable transactions;
- b) discloseable transactions;
- c) major transactions; and
- d) very substantial acquisitions or reverse takeovers.

**7.2** A proposed acquisition or divestment by the Company may fall into any of the categories set out in paragraph 7.1 above depending on the size of the relative figures computed on the following bases of comparison set out in Rule 1006 of the Listing Manual:

- a) the net asset value (“NAV”) of the Company’s interests in the assets to be disposed of, compared with the Group’s NAV (this basis is not applicable to an acquisition of assets);
- b) the net profits attributable to the Company’s interests in the assets acquired or disposed of, compared with the Group’s net profits;
- c) the Company’s interests in the aggregate value of the consideration given or received, compared with its market capitalisation; and
- d) the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a “major transaction” under Rule 1014 of the Listing Manual and would be subject to the approval of Shareholders, unless such transaction is in the ordinary course of the Company.

**7.3** The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Divestment and based on the Company’s latest announced consolidated financial statements of the Group for the six-months financial period ended 30 September 2020 (“1H2021”) are as follows:

Rule 1006	Bases	Company’s Interests in the Properties (S\$’ million)	Group (S\$’ million)	Relative Figures (%)
a)	NAV of the Company’s interests in the Initial Industrial Properties as at 30 September 2020, compared with the Group’s NAV as at 30 September 2020	31.5	292.2	10.8

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b)	Net profits based on the Company's interests in the Initial Industrial Properties for the six-month period ending 30 September 2020, compared with the Group's net profits/(losses) for the six-month period ending 30 September 2020	5.6	(2.2)	254.5
c)	Consideration received for the Company's interests in the Initial Industrial Properties <sup>(1)</sup> , compared with the Company's market capitalisation <sup>(2)</sup> as at 30 December 2020	328.4	252.2	130.2

**Notes:**

- (1) For the purposes of determining the amount of consideration received for the Company's interests in the Properties, it is assumed that the transactions contemplated under each of the Acquisition Agreements, excluding the Bombardier Aerospace Tranche 2 Consideration, had been completed on 30 September 2020. For the avoidance of doubt, as the BP-CA3 Subsequent Acquisition will only take place after the expiry of the BP-CA3 Assignment Prohibition Period, the amount of consideration received for the Company's remaining interests in Continental Building P3 is not included.
- (2) The Company's market capitalisation is based upon 311,319,340 Shares in issue and a share price of S\$0.81 per Share based on the weighted average price of Shares transacted on 30 December 2020, being the market day preceding the date on which the relevant agreements for the Proposed Transactions were entered into.

**7.4** The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Transactions, based on the Company's latest announced consolidated financial statements of the Group for 1H2021 are as follows:

Rule 1006	Bases	Company's Interests in the Properties net of Company's Interest in new Units / Securities (S\$' million)	Group (S\$' million)	Relative Figures (%)
a)	NAV of the Company's interests in the Initial Industrial Properties as at 30 September 2020 less the NAV of retained interests of the Initial Industrial Properties, compared with the Group's NAV as at 30 September 2020	5.6	292.2	1.9
b)	Net profits based on the Company's interests in the Initial Industrial Properties for the six-months ending 30 September 2020 less the net profits/(losses) attributable to the new Units/Notes to be acquired under the Proposed Subscription for the six-months ended 30 September 2020, compared with the Group's net profits/(losses) for the six-month period ending 30 September 2020	4.5	(2.2)	204.5

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c)	Consideration received for the Company's interests in the Initial Industrial Properties <sup>(1)</sup> less the consideration given for the new Units/Notes to be acquired under the Proposed Subscription, compared with the Company's market capitalisation <sup>(2)</sup> as at 30 December 2020	255.7	252.2	101.4
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**Notes:**

- (1) For the purposes of determining the amount of consideration received for the Company's interests in the Properties, it is assumed that the transactions contemplated under each of the Acquisition Agreements, excluding the Bombardier Aerospace Tranche 2 Consideration, had been completed on 30 September 2020. For the avoidance of doubt, as the BP-CA3 Subsequent Acquisition will only take place after the expiry of the BP-CA3 Assignment Prohibition Period, the amount of consideration received for the Company's remaining interests in Continental Building P3, and the Proposed BP-CA3 Subscription, are not included.
- (2) The Company's market capitalisation is based upon 311,319,340 Shares in issue and a share price of S\$0.81 per Share based on the weighted average price of Shares transacted on 30 December 2020, being the market day preceding the date on which the relevant agreements for the Proposed Transactions were entered into.

As the proposed acquisition of Units and Notes by the Company pursuant to the Proposed Subscription, and the divestment of the Initial Industrial Properties by the Company pursuant to the Proposed Divestment together exceed 20.0% of certain of the bases of comparison set out in Rule 1006 of the Listing Manual as indicated above, the Proposed Transactions are considered to be a major transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Directors will be convening an EGM in due course to seek Shareholders' approval for, among others, the Proposed Transactions and a Circular containing further details on the Proposed Transactions will be issued to Shareholders prior to the EGM. As the Proposed Transactions would involve various loan-related transactions under Section 163 of the Companies Act, approval of the Shareholders will also be required in respect of those transactions, details of which will be set out in the Circular.

### 8) Directors' and Substantial Shareholders' Interests

Based on the Company's register of interest of Directors and register of Substantial Shareholders<sup>7</sup> respectively, as at the date of this announcement, the interests of Directors and Substantial Shareholders of the Company in the Shares, are as follows:

	As at the date of this announcement (Number of Shares)			As at the date of this announcement (%) <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest	
<b><u>Directors</u></b>				
John Lim Kok Min	169,296	-	169,296	0.05
Wong Yu Wei (Huang Youwei) <sup>(2)</sup>	113,135	717,800	830,935	0.27
Chu Kok Hong @ Choo Kok Hong <sup>(3)</sup>	963,679	1,578	965,257	0.31
Chong Lit Cheong	-	-	-	-
Yong Kwet Yew	-	-	-	-
Tam Chee Chong	-	-	-	-
<b><u>Substantial Shareholders</u></b>				
Boustead Singapore Limited <sup>(4)</sup>	163,861,009	-	163,861,009	52.63
Wong Fong Fui <sup>(5)</sup>	-	224,242,603	224,242,603	72.03

**Notes:**

<sup>7</sup> "Substantial Shareholder" means any person who has an interest in not less than 5.0% of the issued voting shares of the Company.

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- (1) Based on 311,319,340 Shares in issue (excluding treasury shares and subsidiary holdings) as of the date of this announcement.
- (2) Wong Yu Wei is deemed interested in 717,800 Shares, representing 0.23% of the total issued share capital of the Company, held through a nominee account jointly held by Wong Yu Wei and his spouse.
- (3) Chu Kok Hong @ Choo Kok Hong is deemed interested in 1,578 Shares, representing less than 0.01% of the total issued share capital of the Company, held through a nominee account.
- (4) Wong Fong Fui is deemed interested in 52,690,334 Shares, representing 16.92% of the total issued share capital of the Company, held through nominees. In addition, Wong Fong Fui, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:
  - (i) 163,861,009 Shares (representing approximately 52.63%) held by Boustead Singapore Limited; and
  - (ii) 7,691,260 Shares (representing approximately 2.47%) held by Bright Assets Enterprises Limited.

Mr Wong Yu Wei has also been appointed as a director of the Fund Manager on 20 November 2019.

To the best knowledge of the Directors, save as may be disclosed in this announcement and other than through their respective shareholdings in the Company, none of the Directors and Substantial Shareholders has any interest, direct or indirect, in the Proposed Transactions.

### 9) **Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions or any other transactions contemplated in connection with the Proposed Transactions.

### 10) **Documents Available for Inspection**

Copies of the following documents are available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours on any weekday (public holidays excepted) up to and including the date falling three (3) months after the date of this announcement:

- a) the Constitution of the Company;
- b) the audited consolidated financial statements of the Group for the financial year ended 31 March 2020;
- c) the Trust Deed dated 27 November 2020 governed by Singapore law, as may be varied, amended, supplemented or restated from time to time which establishes Boustead Industrial Fund;
- d) the Sponsor ROFR;
- e) the Subscription Agreements;
- f) the Acquisition Agreements;
- g) the Pre-Completion SPAs; and
- h) the full valuation reports on the Initial Industrial Properties prepared by CBRE Pte. Ltd. and TEHO Property Consultants Pte. Ltd.

## ***Company Announcement***

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In view of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the registered office of the Company will be subject to restrictions. Shareholders who wish to inspect the above documents should submit their request at least three days prior via email to the Company at [shirley.tay@boustead.sg](mailto:shirley.tay@boustead.sg). The Company will ensure that adequate safe distancing measures are put in place during such inspection.

### **11) Conclusion**

For the avoidance of doubt, the actual completion of the Proposed Transactions shall be conditional on the requisite regulatory approvals from JTC Corporation in respect of the transfer of interests in the Initial Industrial Properties being obtained and the approval of Shareholders to be obtained at an EGM to be convened in due course. In the event that the requisite regulatory approvals from JTC Corporation in respect of the transfer of interests in the Initial Industrial Properties are not obtained, or if the requisite approval of Shareholders for the Proposed Transactions is not obtained at the EGM, the Proposed Transactions will not occur.

In the meantime, Shareholders are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing with shares in the Company.

For the avoidance of doubt, following the completion of the Proposed Divestment, the Group will continue to conduct its principal businesses, and there will be no change to the core business of the Group.

Further details on the Proposed Transactions, including principal terms of the Subscription Agreements, Acquisition Agreements and Ancillary Acquisition Agreements, will be set out in the Circular.

-- 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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