

Media Coverage

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Boustead Projects signs option agreement to acquire 49% interest in holding company

BOUSTEAD Projects' wholly-owned subsidiary, BP-Vietnam Development (BP-VD) has signed an option agreement with Khai Toan Joint Stock Company (KTG) for a proposed acquisition of a 49 per cent interest in KBJSC, the holding company for KTG and Boustead Industrial Logistics Joint Stock Company (KBIL).

The real estate player announced on Wednesday that KTG will provide BP-VD with a call option to purchase 49 per cent of the issued and paid-up share capital of KBJSC, while BP-VD will provide KTG with a put option to sell 49 per cent of the issued and paid-up share capital of KBJSC to BP-VD.

Under the agreement, if either the call or put actions is exercised, BP-VD and KTG (and/or its nominees) will enter into a share purchase agreement for 49 per cent of the issued and paid-up share capital of KBJSC.

BP-VD will pay an option deposit to KTG in three tranche payments totalling 289.25 billion dong (S\$16.6 million). The options will expire 18 months from the date of the first tranche payment.

KBJSC is a joint-stock company that will be established under the laws of Vietnam prior to the payment of the first tranche of the option deposit by BP-VD to KTG. KBJSC and its nominees will hold 100 per cent of KBIL.

Prior to the exercise of the options, KTG (and/or its nominees) will hold 100 per cent of the issued and paid-up share capital of KBJSC.

The option agreement is expected to help Boustead Projects grow its income-yielding leasehold portfolio and expand regionally. Ownership of KBJSC and in turn, KBIL, is expected to rapidly extend Boustead Projects' presence in the key market of Vietnam.

Boustead Projects envisions KBIL to be a Vietnam development fund that will consist of 13 industrial real estate seed assets held through various special purpose vehicles, with plans for further expansion and development, co-sponsored by itself and KTG, the company said.

It previously partnered KTG, a "leading conglomerate in electrical appliances, building materials and industrial real estate in Vietnam".

Shares of Boustead Projects were trading flat at S\$1.19 as at 10.18am on Wednesday.