

Media Coverage

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Boustead Projects venture inks deal for Vietnam industrial property company

KTG & Boustead Industrial Logistics Joint Stock Company (KBIL), a joint venture of Boustead Projects, has entered a sale-and-purchase agreement for all the issued and paid-up shares of Minh Quang Industrial Development Joint Stock Company for US\$10.7 million.

Minh Quang had previously signed an in-principle land lease agreement to develop a land plot with an area of approximately 136,450 square metres at Yen Phong District in Bac Ninh province.

KBIL, which owns a portfolio of logistics and industrial properties in Vietnam, thus intends to acquire Minh Quang to develop the land into industrial facilities for lease, adding to its own portfolio, said the company in a bourse filing on Tuesday (Dec 12).

The consideration was based on the agreed property value of land (US\$21.6 million) and other adjustments agreed between KBIL and the vendors.

An independent valuation of the land by Savills Viet Nam found the market value of the land to be approximately US\$21.8 million as at Oct 13, 2023.

KBIL will fund the purchase by issuing equity to Boustead Projects and Khai Toan Joint Stock Company – the other half of the joint venture – in the proportion of their respective shareholding ratio in KBIL.

Boustead Projects, through its wholly-owned subsidiary BP-Vietnam Development, has agreed to subscribe for such number of shares at the aggregate subscription price of US\$5.2 million, representing 49 per cent of the consideration.

The proposed acquisition is not expected to have a material impact on Boustead Projects' earnings per share or net tangible assets per share for the current financial year ending Mar 31, 2024.

Shares of Boustead Projects closed flat at S\$0.955 on Tuesday, before the announcement.