

**BOUSTEAD FY2022 ANNUAL GENERAL MEETING
ADVANCE QUESTIONS AND RESPONSES**

SINGAPORE, 21 JULY 2022

The Board of Directors (“Board”) of Boustead Singapore Limited (“Company”) wishes to express its appreciation to all shareholders who had submitted questions in advance of the Company’s Annual General Meeting (“AGM”) to be convened and held by way of electronic means on Thursday, 28 July 2022 at 2.30pm. In addition, the Securities Investors Association (Singapore), with the support of SGX, had also submitted questions for the AGM and where relevant, we have responded to them.

The Board is pleased to present both the relevant and significant questions submitted for the purpose of the AGM and the Company’s responses in advance of the AGM. Due to the high business and commercial sensitivity of some questions and/or to be in compliance with SGX, the Company has not provided a response to every question that had been posed. Where there are overlaps in questions, the Company has grouped related and similar questions and provided responses.

The questions and responses have been grouped as follows:

- Cash and Capital Deployment (pages 1-2)
- Energy Engineering (pages 2-3)
- Geospatial (page 3)
- Healthcare (pages 4-5)
- Governance (pages 5-6)

It is important to note that these responses should be read in conjunction with the Boustead Singapore Limited FY2022 Annual Report (“Annual Report”), Notice of AGM, Addendum to Notice of AGM and Additional Information for AGM released on 5 July 2022, all of which were earlier made available through SGXNET and the Company’s website and with contextual reference to the proceedings of the AGM including the presentation to be made and resolutions to be tabled.

TOPIC: CASH AND CAPITAL DEPLOYMENT	
1)	Are there any acquisition targets in mind for Boustead? What are the criteria and what is the budget for such acquisitions?
Response:	<p>Our management team regularly reviews potential acquisition opportunities, especially those that will complement or strengthen the existing offerings of our divisions. We also pay particular attention to opportunities that have a strong commitment to global socio-economic progress and are scaleable businesses, with a focus on innovating to generate profit in ways that will directly benefit society.</p> <p>For any new opportunities that fall outside of our four divisions, we will also carefully consider the various requirements for investment, management, risk mitigation and valuation before entering the new sector. With the prolonged COVID-19 pandemic, our management team has taken an even more prudent and watchful approach in our assessment of suitable acquisition targets which we believe will prevail under “new normal” circumstances and also be sustainable in light of long-term megatrends.</p> <p>There have been no limits set to potential acquisition sizes. However, our management team would not be comfortable taking on significant leverage to complete any acquisitions.</p>

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2)	<p>The Group is in a net cash position of S\$387.9 million as at 31 March 2022. Has the Board considered a special dividend and/or a capital reduction to right-size its balance sheet?</p>
Response:	<p>Out of the Group’s total net cash position of S\$387.9 million at the end of FY2022, S\$203.3 million net cash belongs to Boustead Projects. This leaves a net cash position of S\$184.6 million that our Board and management team have discretion over. In FY2021, following the successful launch of Boustead Industrial Fund and the value-unlocking transaction one-off gain, we also declared a final dividend of 3 cents per share and special dividend of 4 cents per share. Including the FY2021 interim dividend paid, this equated to a record S\$38.7 million in dividends, much of which was paid out during FY2022.</p> <p>Of our remaining net cash of S\$184.6 million, about S\$100 million has been reserved for working capital and trading facility requirements, and to meet the minimum net asset value thresholds to assure clients of the Group’s financial strength. The Group also maintains a strong net cash position that it can tap on for suitable acquisition opportunities that come along, especially under the current high interest rate environment and challenging business landscape.</p>
	<p>TOPIC: ENERGY ENGINEERING</p>
3)	<p>As noted in the Chairman’s Message, the Energy Engineering Division weathered another challenging year, with revenue and profit before tax lower by approximately 43-44% year-on-year. New contracts of S\$45 million were secured in FY2022.</p> <p>Moving forward, management has guided that the Energy Engineering Division “will not see improved results” due to the low order book carried forward from the end of FY2022.</p> <p>Crude oil prices have climbed from approximately US\$20/barrel in April 2020 to more than US\$100/barrel in April 2022. Can management elaborate further on the challenges of securing new orders by the Energy Engineering Division?</p>
Response:	<p>The hangover effects of the pandemic have impacted the level of business activities at our Energy Engineering Division. The prolonged effects of the pandemic led to lower oil prices for much of FY2022 and concerns around the long-term viability of large capital investments, particularly during the period when the UN Climate Change COP26 was taking place. Due to the uncertainties, global energy corporations continued to defer their final investment decisions (“FIDs”) and enquiries for larger energy developments were postponed or shelved indefinitely. This resulted in a lower number of orders secured in the year, which would subsequently affect revenue recognition in the subsequent year.</p> <p>However, we expect market demand to improve as countries review their long-term energy security plans. The uncertainty of supply, combined with the spike in demand due to post-pandemic economic resurgence and the resumption of international travel have led to higher energy prices, especially towards the end of FY2022. With this, we expect more clients to reach the FID stage in the coming year, although assuming we do secure a healthy pipeline of new contracts in FY2023, we expect that much of the revenue recognition from these contracts would occur in FY2024.</p>
4)	<p>With a “healthier enquiry pipeline”, what is management’s strategy to convert such enquiries and interests into contracts?</p>
Response:	<p>Clients generally enter FIDs based on pricing, project requirements and the suitability of the technical expertise that can be rendered. FIDs may also be dependent on other</p>

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	<p>geoeconomic and geopolitical developments, and energy sector regulations. As the global energy landscape continues to rapidly evolve, our Energy Engineering Division will focus on delivering customised solutions that meet the sector's demands, while maintaining the agility and flexibility to pursue opportunities globally.</p>
5)	<p>Did the Energy Engineering Division maintain or increase its market share? For shareholders' information, can management show the trend of FIDs/capital expenditure by large energy corporations in the past 2-3 years?</p>
Response:	<p>In our management team's opinion, there is no significant change in our competitive position with respect to the markets that we are operating in. The division will not be able to share details of FIDs and enquiry pipelines, as these are too commercially sensitive.</p>
6)	<p>In particular, can management help shareholders better understand if Boustead International Heaters ("BIH") is a beneficiary or a victim of the transition from fossil-based to alternative energy? How much of BIH's traditional activities are in the fossil-based industries?</p>
Response:	<p>The alternative energy market requires a different type of expertise from what BIH currently offers and is also extremely competitive. Even with the pace of green energy transition intensifying, we want to meaningfully contribute to our clients and end-users in their low-carbon energy transition. While we are looking to apply our heat transfer technology in the alternative energy market, things will take time to bear fruit.</p> <p>BIH's existing solutions for waste heat recovery units ("WHRUs") already help clients to increase their energy efficiency by capturing and utilising thermal energy that is otherwise wasted. In the past few years, more than 50% of BIH's revenue has been derived from WHRUs and this is likely to continue to be so in the future.</p>
	<p>TOPIC: GEOSPATIAL</p>
7)	<p>Are there any plans to spin-off the Geospatial Division as a separately listed entity? This will enable it to be valued on its own so that it can raise money and chart its own expansion path.</p>
Response:	<p>The Geospatial Division has been a "bright spot" among the divisions under the Boustead Group, especially in light of the challenging circumstances of the pandemic and the volatile geoeconomic and geopolitical situation. While we expect the demand for geospatial information system ("GIS") technology and smart mapping capabilities to continue to hold firm, several requirements will have to be met before a spin-off of this division can take place. This includes further growth in recurring revenue streams, professional and managed services, and geospatial applications development under the division's own intellectual property. The division will also have to continue to significantly grow Esri-aligned revenue, which are aligned services, solutions and datasets that are deployed with the in-depth implementation expertise of our regional teams. The readiness of the management and business as a whole will also need to be considered, along with other stringent listing requirements being met. While there are currently no plans to separately list the division, we may consider doing so if the above requirements are met.</p>

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	TOPIC: HEALTHCARE
8)	<p>For the Healthcare Division, the loss before income tax widened to S\$6.3 million as revenue declined by 12%. The sleep care business was sold just after the close of FY2022.</p> <p>Unlike essential medical services, demand for rehabilitative care is elective in nature. As such, the number of outpatient rehabilitative treatments has been significantly lower than pre-pandemic levels, leading to lower demand for rehabilitative care technology.</p> <p>The Group acquired WhiteRock Incorporation Pte Ltd (now known as Boustead Medical Care Holdings Pte Ltd) in May 2018 for S\$19 million. As disclosed in Note 40 (page 215; Events occurring after reporting date), on 21 April 2022, the Group disposed of its entire shareholdings in its wholly-owned subsidiaries, BMEC Sleep Care Pte Ltd and WhiteRock Medical (China) Ltd for a nominal cash consideration of S\$1 and RMB1 respectively.</p> <p>Did the company announce the sale of the sleep care business on SGXNET?</p>
Response:	Yes, the Group first announced the sale of the sleep care business in the FY2022 financial results announcement made on 26 May 2022, on page 25.
9)	<p>Does the Group have the necessary competitive advantage to go into essential medical services? If not, with the Healthcare Division contributing just 2% of the Group's total revenue and currently loss-making, how much more capital has been earmarked to grow the division?</p>
Response:	<p>Within the Group, we do not have the necessary capabilities to enter into the very diverse and wide essential medical services market, which requires different skillsets, capabilities and heavy capital expenditure.</p> <p>In the future, the division has plans to set up more healthcare simulation centres that provide training to aspiring essential healthcare professionals across the region, on top of supplying training manikins, software and support services which are also crucial in the delivery of essential medical services. The division is also exploring functional assessment service centre opportunities.</p> <p>Capital expenditures for setting up earmarked service centre opportunities will not be material to the net cash position of the Group.</p>
10)	<p>Can you share more about the challenges facing the Healthcare Division? Is management still bullish about its longer-term prospects given that it has demonstrated severe teething issues?</p>
Response:	<p>It is our management team's belief that the sector will have good long-term prospects, a belief that we have held firmly to since we acquired the Healthcare Division in 2018. Ageing demographics and population trends all continue to point to the strong market potential for this division. While we can partly attribute the division's continued underperformance to bad timing due to the pandemic, we acknowledge that there are issues such as poor management, execution and inherent cultural differences within the division that have hindered the division's performance. These are issues that we will be addressing head-on in the coming year and which are elaborated on in the next answer.</p>

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11)	<p>It seems that the Healthcare Division has been doing badly since its acquisition in FY2018. Can the management provide more details on the steps taken to rationalise the division and ensure it can perform to expectations? Will the Board consider selling the division to stem the bleeding if it cannot be turned around?</p>
Response:	<p>Our management team has taken active steps to address some of the challenges of the Healthcare Division and to help the division to begin to turnaround (outside of China). Right at the beginning of FY2023, a senior leadership change was enacted and the restructuring process was initiated. As part of this restructuring, the loss-making sleep care business was sold simultaneously with the senior leadership change, as a first step in rationalising the division. To further consolidate the division's product lines and services, the division's management is also looking into a potential scaling down of the deep cleaning and disinfection business during FY2023. There will also be further pruning and streamlining of existing technology distribution to focus on technology with proven success. Other than these restructuring initiatives, individual geographic markets will be reviewed more closely to assess their long-term viability. Our management team believes that strong actions to improve the culture and change old habits are necessary if we are to see an improvement in the performance of this division.</p> <p>In the division's best performing geographic market of China, our associate, Beijing Pukang Sport & Medical Co Ltd ("Beijing Pukang") has been performing reasonably well. Despite China's strict 'Zero COVID-19' strategy – which had a significant impact on Beijing Pukang in FY2022 – our associate has remained nimble and responsive to the market and was still able to generate a share of profit of S\$0.7 million for us in an extremely tough business environment.</p>
	<p>TOPIC: GOVERNANCE</p>
12)	<p>As noted in the Corporate Governance report, the company has established an internal audit ("IA") function that adopts a risk-based approach to evaluate the adequacy and effectiveness of key controls and procedures when performing audits of high-risk areas.</p> <p>The Company's IA function is performed by the IA Department, headed by the Senior Vice President, IA. The internal auditor has unrestricted access to all documents, records, properties and personnel of the Group and unrestricted direct access to the Audit & Risk Committee ("ARC") in carrying out their duties and responsibilities and has appropriate standing within the Company.</p> <p>The ARC is satisfied that the IA function is adequately resourced and independent of the activities it audits, and is carried out by suitably qualified and experienced professionals with the relevant experience.</p> <p>What is the number of staff engaged by the Group for its in-house IA function? How long is the internal audit cycle?</p>
Response:	<p>There are four team members in the Group IA function.</p> <p>There is an annual audit planning process where the Group's audit scope for the financial year is determined by the Group IA function and approved by the ARC. The typical audit cycle of an individual IA review is three months, starting from planning to execution, until the report of the audited entity is issued to the ARC.</p>
13)	<p>For the benefit of shareholders, what were the scope and the key findings of the internal audit in FY2022?</p>

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Response:	<p>Consistent with prior years, the Group IA function continued to include financial, operational, compliance and technological controls in audits of the entities selected for FY2022.</p> <p>There were no major adverse findings arising from these audits.</p>
14)	<p>How was the scope and effectiveness of the IA function affected in the past two years by the closure of national borders given that the Group has a vast global network stretching across Asia, Australia, Europe, Africa and the Americas?</p>
Response:	<p>Due to the progressive deployment of online collaboration tools such as Microsoft SharePoint, Teams and Zoom, coupled with existing technology, it was possible for audits to continue to be conducted, albeit remotely, with the entities involved.</p> <p>During the period where international travel was restricted due to pandemic-related measures, the Group IA function continued to perform its activities in accordance with the annual audit plan.</p>
15)	<p>Can the ARC confirm that IA covered all of the major foreign operating entities, including those in Australia, Malaysia, China and the United Kingdom? What is the level of oversight by the ARC on the actions taken by management to follow-up on the IA's recommendations?</p>
Response:	<p>All major entities, whether foreign or local, are included in the assessment and selection during the annual audit planning process. These major entities are audited at least once every three years.</p> <p>The results of all IA activities are reported to the ARC at the end of these audits. The progress of management's follow-up actions arising from these audits are also reported to the ARC every quarter.</p>

-- 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.

As Singapore's oldest continuous business organisation, we focus on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth. Our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart, eco-sustainable and future-ready real estate developments.

In addition, we provide technology-driven transformative solutions to improve the 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 enterprise platform – to major markets in the Asia Pacific. The enterprise platform creates digital infrastructure solutions and digital twins that enable smart nations, smart cities and smart communities to solve the world's most complex problems by improving human wellbeing and ecosystems, and helping in the effective planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address 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 91 countries and territories globally.

Over the years, we have been a recipient of many reputable awards including the prestigious Forbes Asia 200 Best Under A Billion Award. In 2019, we were awarded the Most Transparent Company Award and Sustainability Award (Runner-Up) by the Securities Investors Association (Singapore). From 2020 to 2022, we also ranked among Singapore's Best Employers, Singapore's Fastest Growing Companies and Asia-Pacific High-Growth Companies. We were also honoured with the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition.

Visit us at www.boustead.sg.

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