Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Boustead Projects Limited

Stock code: AVM

Meeting details:
Date: 28 July 2022
Time: 10.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Would the board/management provide shareholders greater clarity on the following operational matters? Specifically:

(i) **Engineering & Construction (E&C):** In the E&C segment, while segment revenue increased by 23% year-on-year, the segment loss was $(6.5) million in FY2022. This mainly resulted from executing on projects secured pre-pandemic at margins that could not cover the current escalated costs. **Compared to its competitors, is the group in a better position to manage the challenges arising from a constricted labour pool and supply chain cost escalation due to its adoption of ConTech and PropTech? In particular, has the group been able to achieve a significant cost advantage?**

(ii) **Order Book:** The group secured new contracts valued at $148 million, a 17% year-on-year decrease as management was cautious and remained highly selective to focus on high value-added sectors where the group has a competitive advantage, expertise and familiarity. **Can management elaborate further on the opportunities in the high value-added sectors in the next 18-24 months? With better visibility in the operating environment, how is management capitalising on this to build up its order book?**

(iii) **Development partnerships:** The number of development partnerships decreased from 5 in FY2021 to 3 in FY2022 (page 42). 351 on Braddell, that was jointly developed with The Platform-Hanwha ARESF Fund No 1, was sold to BIF in November 2021. **Has the group been able to nurture such partnerships and turn them into strategic relationships to access long-term capital? Can management provide an update on the Subang Aerotech Park development?**

Q2. The group acquired 28 & 30 Bideford Road, Singapore 229922 through the enforcement of the share charge. The group has a 50% interest in the newly acquired property while Roark Capital Ltd and Lim Cher Meng Realty (Pte) Ltd each has 25%.

28 & 30 Bideford Road is an 18-storey mixed development comprising targeted hospitality, healthcare and commercial components and is earmarked to attain Green Mark Platinum. The Temporary Occupation Permit was obtained on 10 January 2020.

(i) **How is the group managing the mixed development? Can management elaborate further on the plans for the asset?**

(ii) **What is the group's experience and track record in managing a high-end, mixed development located just off the prime Orchard Road? Specifically, does the group have the competitive advantage, expertise and familiarity in hospitality, healthcare and commercial real estate?**

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(iii) **What are the roles and expected contributions of the other shareholders, namely Roark Capital Ltd and Lim Cher Meng Realty (Pte) Ltd?**

Q3. At the annual general meeting scheduled to be held on 28 July 2022, the company is proposing to re-elect Mr Tam Chee Chong and Professor Yong Kwet Yew.

The profiles of the directors can be found on page 47 of the annual report.

In particular, it is noted that Professor Yong Kwet Yew is also currently the independent chairman of BBR Holdings (S) Ltd and Tritech Group Ltd. From the companies' websites, BBR has four core business segments spanning across General Construction, Specialised Engineering, Property Development and Green Technology while Tritech positions itself as a unique one stop integrated service provider for Smart Urban Development and Water & Environmental protection.

(i) **Would Professor Yong Kwet Yew be put in a position of conflict due to his concurrent chairmanship of the two listed companies that may compete in the same industry space?**

(ii) **How does the company ensure that its interests are protected? What safeguards are put in place to ensure that sensitive commercial information and strategies are well protected?**

(iii) Even if a conflicted director recuse himself from certain sensitive discussion either in the company or on the board of the other company, the act of recusing oneself would still provide competitive information. **How does the company mitigate such risks?**

(iv) **Would the effectiveness of the director be impaired due to frequent recusing/conflict of interests?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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