Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: SHS Holdings Ltd.

Stock code: 566

Meeting details:
Date: 27 April 2023
Time: 2.00 p.m.
Venue: <<live webcast>>

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

(i) **Engineering & construction (E&C): What is the current status of the order book for the E&C segment? What measures are being taken by the group to secure high-value, high-margin projects? Has management considered providing regular updates to shareholders and the capital market on the outstanding order book? What are the factors that contributed to the increase in gross profit margin of 17% in 2022, and what is the management's target for the gross profit margin in the E&C segment in the medium-to-long term?**

(ii) **Corrosion prevention: As a top-tier provider of corrosion prevention services to the marine, oil and gas, construction and infrastructure industries, is the group getting more enquiries and requests for quotations (RFQs) from marine, oil and gas customers? If so, how successful was management in turning the RFQs into confirmed orders? What are some of the major opportunities in the next 18-24 months?**

(iii) **Solar energy: How is the group capitalising on high energy costs and the momentum in energy transition to accelerate the growth of its solar energy segment? Has the group adapted its business model to tap into the opportunities offered by large-scale solar farms?**

Q2. As disclosed in Note 29 Share capital (page 118), 32.5 million shares were bought back during the year and cancelled.

As at 31 December 2022, 67.7 million shares (or 11.09% of the total issued shares) were held as treasury shares.

(i) **Can the board elaborate further on the group's capital management? How is the aggressive share buyback aligned to the group's strategic growth plan? Is the board evaluating investment opportunities?**

(ii) **What are the plans for the relatively large number of the shares held as treasury shares?**

(iii) **In addition, what is the level of oversight by the board, especially the independent directors, on the company's share buyback?**

(iv) **Is the board/company aware of the counterparties of the share buybacks? What safeguards have the boards introduced to ensure that the buybacks are carried out in accordance with the rules and regulations?**

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Q3. On 30 September 2022, the company announced the appointment of Mr Oong Wei Yuan, Ron as an independent director. Mr Oong will also be appointed as a member of the audit, nominating and remuneration committees. Mr Oong has no prior experience as a director of a public listed company in Singapore. In the annual report, it was disclosed that Mr Oong has completed the mandatory training modules conducted by the SID as prescribed by the SGX-ST.

The announcement of his appointment can be found here (extract reproduced below): https://links.sgx.com/1.0.0/corporate-announcements/5SXIREPT20PIN2XE/f2ed4b83185b2f0c01e7d5966cc96df42f7b0de31178591539b1fa60552431a9

CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF INDEPENDENT DIRECTOR

Description (Please provide a detailed description of the event in the box below)
Appointment of Independent Director

Additional Details

Date Of Appointment
30/09/2022

Name Of Person
Oong Wei Yuan, Ron

Age
34

Country Of Principal Residence
Singapore

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)
As part of the board renewal process to replace Mr David Lee who had served on the Board for 9 years, the Nominating Committee (the "NC") has recommended the appointment of Mr Oong Wei Yuan, Ron as an Independent Director of the Company. After reviewing the recommendation of the NC and Mr Oong's credentials and experience (as set out below), the Board has confirmed Mr Oong's independence and approved his appointment as an Independent Director of the Company. Consequently, Mr Oong will also be appointed as member of the Audit, Nominating and Remuneration Committees.

Whether appointment is executive, and if so, the area of responsibility
Non-Executive

(Source: company announcement dated 30 September 2022; emphasis added)

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(i) **Can the nominating committee (NC) help shareholders better understand the selection criteria, board diversity considerations and the search and nomination process that led to the appointment of Mr Oong, as required in the SGX announcement template?**

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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